

HB 2760 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Kyle Easton, Economist

Meeting Dates: 5/25, 5/31

WHAT THE MEASURE DOES:

Extends sunset of property tax exemption for alternative energy systems from tax years beginning after July 1, 2017 to tax years beginning after July 1, 2023.

ISSUES DISCUSSED:

- What property may be exempt
- Batteries not being exempt under current law language
- Potential for changes to the list of property that may be exempt, however, discussion is expected in later session with focus on extending sunset at this time.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

ORS 307.175 exempts from ad valorem property taxation an alternative energy system if the system is a net metering facility (defined in ORS 757.300) or primarily designed to offset onsite electricity use. Alternative energy system is defined as property consisting of solar, geothermal, wind, water, fuel cell or methane gas energy systems for the purpose of heating, cooling or generating electricity.

Property equipped with an alternative energy system is exempt from ad valorem property taxation in an amount that equals any positive amount obtained by subtracting the real market value of the property as if it were not equipped with an alternative energy system from the real market value of the property as equipped with the alternative energy system.