

**HB 2760 STAFF MEASURE SUMMARY**  
**Senate Committee On Finance and Revenue**

**Carrier:** Sen. Taylor

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**Action Date:** 06/20/17  
**Action:** Do pass.  
**Vote:** 5-0-0-0  
**Yeas:** 5 - Baertschiger Jr, Boquist, Hass, Riley, Taylor  
**Fiscal:** No fiscal impact  
**Revenue:** Revenue impact issued  
**Prepared By:** Kyle Easton, Economist

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**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:**

- Intent of property tax exemption being to eliminate a potential disincentive of investing in alternative energy systems
- Development of alternative energy production being an overall good for society
- Tax expenditures in general, larger conversation required.

**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.