

Requested by HOUSE COMMITTEE ON REVENUE

**PROPOSED AMENDMENTS TO  
HOUSE BILL 4027**

1 On page 1 of the printed bill, delete lines 6 through 25 and delete page  
2 2.

3 On page 3, delete lines 1 through 22 and insert:

4 **“SECTION 1. Section 1, chapter 571, Oregon Laws 2015, is amended to**  
5 **read:**

6 **“Sec. 1. (1)(a) As used in this section, ‘solar project’ means a**  
7 **photovoltaic solar power generation facility.**

8 **“(b) ‘Solar project’ does not include:**

9 **“(A) The land on which the photovoltaic solar power generation**  
10 **facility is located;**

11 **“(B) A building that is not used to generate solar power, including**  
12 **a building to which a solar project is affixed;**

13 **“(C) Property that is used to store solar power;**

14 **“(D) Equipment that is shared with nonsolar power generators; or**

15 **“(E) Equipment that is used to deliver power to the solar project**  
16 **or to a storage facility.**

17 **“[(1)(a)] (2)(a)** The governing body of a county and the owner or person  
18 in possession or control of a solar project located within the county and  
19 outside the boundaries of any incorporated city may enter into an agreement  
20 that exempts from property taxes the property constituting the solar project  
21 and allows the payment of a fee in lieu of property taxes imposed on the

1 property. An agreement may not be entered into for a term longer than 20  
2 consecutive years.

3 “(b) If any portion of a solar project is located within the boundaries of  
4 an incorporated city, the governing body of the county shall consult with the  
5 governing body of the city before entering into an agreement under para-  
6 graph (a) of this subsection. An agreement entered into under paragraph (a)  
7 of this subsection with respect to a solar project located within the bound-  
8 aries of the incorporated city is not effective unless the governing body of  
9 the city is a party to the agreement.

10 “(c) **An agreement entered into under this section must include a**  
11 **clawback provision that sets forth the circumstances in which the**  
12 **clawback provision applies and the number of property tax years for**  
13 **which forgone property tax revenue must be paid.**

14 “[2)] (3)(a) The fee in lieu of property taxes shall be computed at the rate  
15 of \$7,000 per megawatt of nameplate capacity of the solar project for each  
16 property tax year. Megawatt of nameplate capacity shall be carried to the  
17 third decimal place.

18 “(b) **Payment of a fee in lieu of property taxes may not begin before**  
19 **the first property tax year that begins after the solar project is first**  
20 **placed in operation.**

21 “[3)(a)] (4)(a) On or before December 31 preceding the first property tax  
22 year to which an agreement entered into under this section relates, the  
23 owner or person in possession or control of the solar project shall file with  
24 the [county assessor] **Department of Revenue** a copy of the agreement and  
25 a request for computation of the fee in lieu of property taxes for the property  
26 constituting the solar project. The request must include any information re-  
27 quired by the [assessor] **department** to compute the fee.

28 “(b) On or before December 31 preceding each subsequent property tax  
29 year to which an agreement entered into under this section relates, the  
30 owner or person in possession or control of the solar project shall file with

1 the [county assessor] **Department of Revenue** a request for computation of  
2 the fee in lieu of property taxes for the property constituting the solar  
3 project. If the identity of the owner or person in possession or control, or  
4 the nameplate capacity, of the solar project has changed, the request for  
5 computation of the fee must include the new information.

6 “(c) A request for computation that is not filed on or before December 31  
7 must be accompanied by a late fee of \$200.

8 “(d) **Payment of a fee in lieu of property taxes does not relieve the**  
9 **owner or person in possession or control of the solar project of the**  
10 **obligation to file a return under ORS 308.520 with respect to the prop-**  
11 **erty constituting the solar project.**

12 “[4(a)] (5)(a) On or before February 1 of each year to which the agree-  
13 ment relates, the [county assessor] **Department of Revenue** shall compute  
14 the fee in lieu of property taxes for the property constituting the solar  
15 project and shall notify:

16 “(A) **The assessor of the county in which the property is located of**  
17 **the tax account to which the fee in lieu of property taxes relates and**  
18 **the amount due; and**

19 “(B) The owner or person in possession or control:

20 “[A] (i) That the fee in lieu of property taxes must be paid to the county  
21 treasurer on or before March 1; and

22 “[B] (ii) Of the amount due and [of] the consequences of late payment  
23 or nonpayment.

24 “(b) Notwithstanding paragraph (a) of this subsection, payment of the fee  
25 in lieu of property taxes is not due until after the notice required under  
26 paragraph (a)(B) of this subsection has been sent.

27 “(c) *[On or before July 15 of each year, the county treasurer shall distribute*  
28 *fee revenue collected under this section to each taxing district in which a solar*  
29 *project is located on the basis of the ratio that the taxing district’s total rate*  
30 *of ad valorem property taxes, excluding the rates of taxes imposed to repay*

1 *bonded indebtedness, bears to the total rate of ad valorem property taxes, ex-*  
2 *cluding the rates of taxes imposed to repay bonded indebtedness, imposed by*  
3 *all taxing districts in which the solar project is located.]* **Each county**  
4 **assessor who receives notice under subsection (5)(a)(A) of this section**  
5 **shall place all fees in lieu of property taxes contained in notices for**  
6 **the property tax year upon the tax roll as required under ORS 311.255**  
7 **for distribution pursuant to the percentage schedule prepared under**  
8 **ORS 311.390.**

9 “[(5)(a)] **(6)(a)** If the owner or person in possession or control of a solar  
10 project that has entered into an agreement under this section fails to pay the  
11 fee as required under this section, the property constituting the solar project  
12 is not exempt for the following property tax year and shall be assessed and  
13 taxed as other similar property is assessed and taxed.

14 “(b) Notwithstanding paragraph (a) of this subsection, the property shall  
15 be exempt for the following property tax year upon payment, within one year  
16 after the date of delinquency, of the delinquent fee plus interest at the rate  
17 prescribed in ORS 311.505 (2). Delinquent fees and interest shall be collected  
18 in the manner provided for collection of delinquent property taxes on per-  
19 sonal property.

20 “[~~(6)(a)~~ *If the owner or person in possession or control of the solar project*  
21 *fails to pay the fee in lieu of property taxes for more than one year during the*  
22 *term of an agreement entered into under this section, notwithstanding the*  
23 *agreement, the property constituting the solar project shall be disqualified for*  
24 *the exemption and payment of the fee in lieu of property taxes.]*

25 “[~~(b)~~ *Property that is disqualified under this subsection shall:]*

26 “[~~(A)~~ *Be assessed and taxed as other similar property is assessed and*  
27 *taxed.]*

28 “[~~(B)~~ *In addition, be assessed a penalty in an amount equal to one year of*  
29 *the fee in lieu of property taxes for the property. The penalty assessed under*  
30 *this subparagraph shall be distributed in the manner described in subsection*

1 (4)(c) of this section.]

2 “(7)(a) Property constituting a solar project that has received an ex-  
3 emption under ORS 285C.350 to 285C.370 or 307.123 for any property tax year  
4 is not eligible to pay a fee in lieu of property taxes under this section.

5 “(b) Paragraph (a) of this subsection does not apply to property consti-  
6 tuting a solar project that was the subject of an application filed pursuant  
7 to ORS 285C.350 to 285C.370 if the property did not receive the exemption  
8 for any property tax year. The election to pay the fee in lieu of property  
9 taxes for property described in this paragraph is not a disqualifying event.

10 **“SECTION 2. (1) The amendments to section 1, chapter 571, Oregon**  
11 **Laws 2015, by section 1 of this 2018 Act apply to agreements entered**  
12 **into under section 1, chapter 571, Oregon Laws 2015, on or after the**  
13 **effective date of this 2018 Act.**

14 **“(2) Notwithstanding subsection (1) of this section, property con-**  
15 **stituting a solar project that is exempt from property taxes under**  
16 **section 1, chapter 571, Oregon Laws 2015, as in effect immediately**  
17 **preceding the effective date of this 2018 Act shall continue to be ex-**  
18 **empt and to pay the fee in lieu of property taxes for the term specified**  
19 **in the agreement entered into under section 1, chapter 571, Oregon**  
20 **Laws 2015, as in effect immediately preceding the effective date of this**  
21 **2018 Act.”.**

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