



Marion County
OREGON
ASSESSOR'S OFFICE

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Date: March 12, 2019

To: Senate Committee on Finance and Revenue
900 Court Street NE, Room 160
Salem, Oregon 97301

Re: OSACA Support for Senate Bill 769

Chair Hass, Vice-Chair Bentz and Members of Committee:

My name is Tom Rohlfig. I am the Marion County Assessor. I also serve as Legislative Co-Chair for the Oregon State Association of County Assessors. I am writing today for OSACA in support of Senate Bill 769, which was introduced by Senator Taylor on our behalf.

Senate Bill 769 would change the way that Payments in Lieu of Taxes for utility-scale solar projects are administered by county assessors. In 2015, the Oregon Legislature established PiLOTs as an alternative to ad valorem property taxes and set a rate of \$7,000 per megawatt of nameplate capacity electricity generated per year.

It also established a separate billing, collection, and distribution timeline and process outside of the property tax system. (See the attached DOR workflow sheet.) SB 769 would place the billing, collection, and distribution of PiLOT solar payments into the existing property tax system.

Under the current system, on or before December 31st, each qualifying project has to make a written request to the county assessor to be billed based on nameplate capacity. If a company fails to request billing then a \$200 penalty is applied. Once the assessor receives this billing request then the assessor, on or before, February 1st must bill each project. The company then has until March 1st to make full payment to county treasurer. The county treasurer, working with assessor-provided information, creates distribution percentages for these payments based on code area(s) in which project is located. These dollars are then distributed to the appropriate taxing districts.

SB 769 would place the billing, collection, and distribution of PiLOT Solar payments into the existing property tax system. These in-lieu of tax amounts would be placed on property tax statements in the same manner as other current fees such as Oregon Department of Forestry Fire Patrol. The Oregon Department of Revenue would then certify to the county assessor the market and assessed values for these projects. These PiLOT payments would then be billed on the annual property tax statement, be collected in the same manner as other taxes, special assessments and fees, and distributed to the various taxing districts in the same manner.

The impact to State DOR would be that they would now have to multiply the nameplate capacity by \$7k and add to the Utility Tax Roll. The impact to industry would be they would no longer have to request a

PiLOT billing and would make payments in the same timelines and fashion as other property tax payments. The impact to counties is that they will no longer have to maintain a separate billing and collection system for these payments.

Additionally, by using the existing property tax roll, SB 769 would increase transparency. Current systems for billing and collection of PiLOT payments are off line and it's up to each county to set business processes for insuring proper amounts are paid and distributed in a timely an accurate manner. This is very unlike the property tax roll, which has detailed reporting requirements, systems in place for handling partial or non-payments, and publicly available auditing information.

The bottom in line is SB 769 would create efficiencies by eliminating a secondary billing system and using the annual property tax statement and tax roll for billing, collection, and distribution of utility-scale solar PiLOTS.

Thank you for the opportunity to testify on this matter.

Sincerely,



Tom Rohlfig
Marion County Assessor
Co-Chair, OSACA Legislative Committee