



SB 154

Senate Committee on Energy and Environment



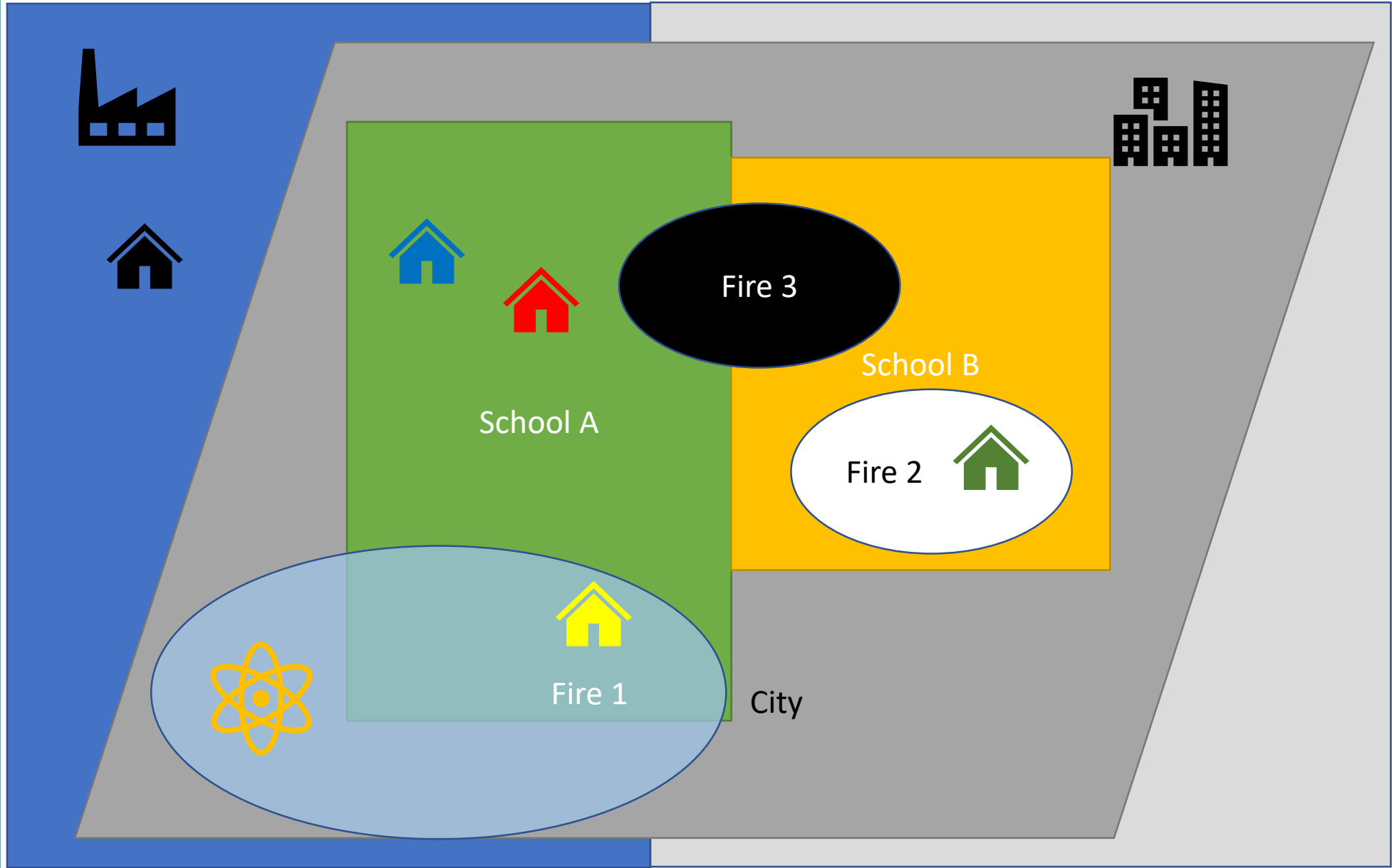
Solar Property Tax Exemption

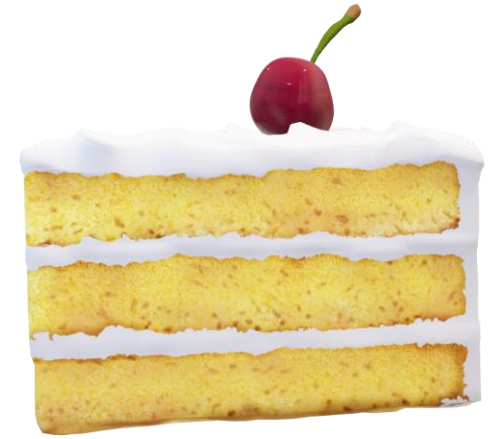
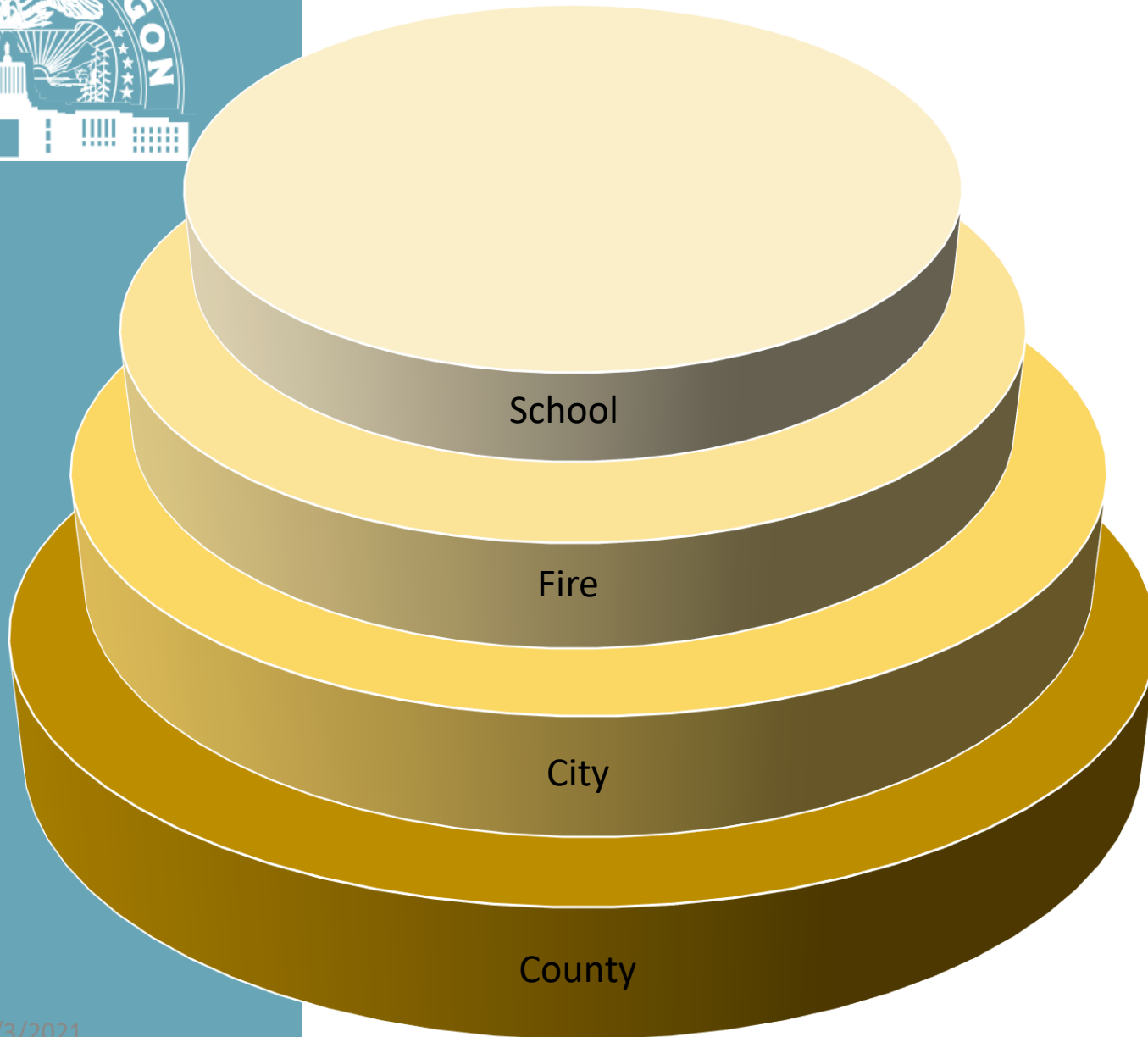
- Property Tax in Oregon is an ad-valorem tax
- PiLoT exempts property tax and imposes a fee
- SB 154 Extends sunset to Jan 2, 2028



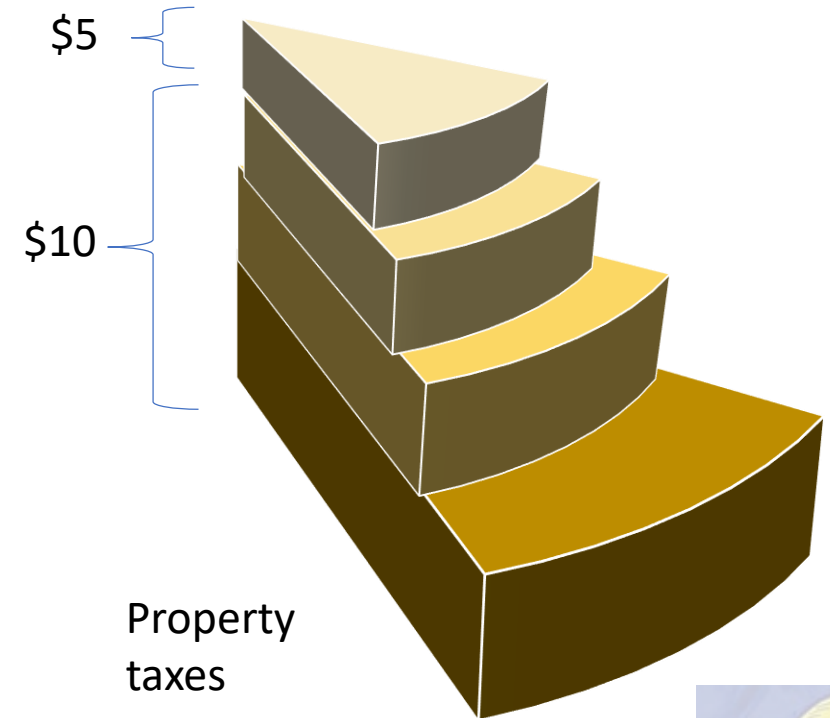


Code Areas and Taxing Districts





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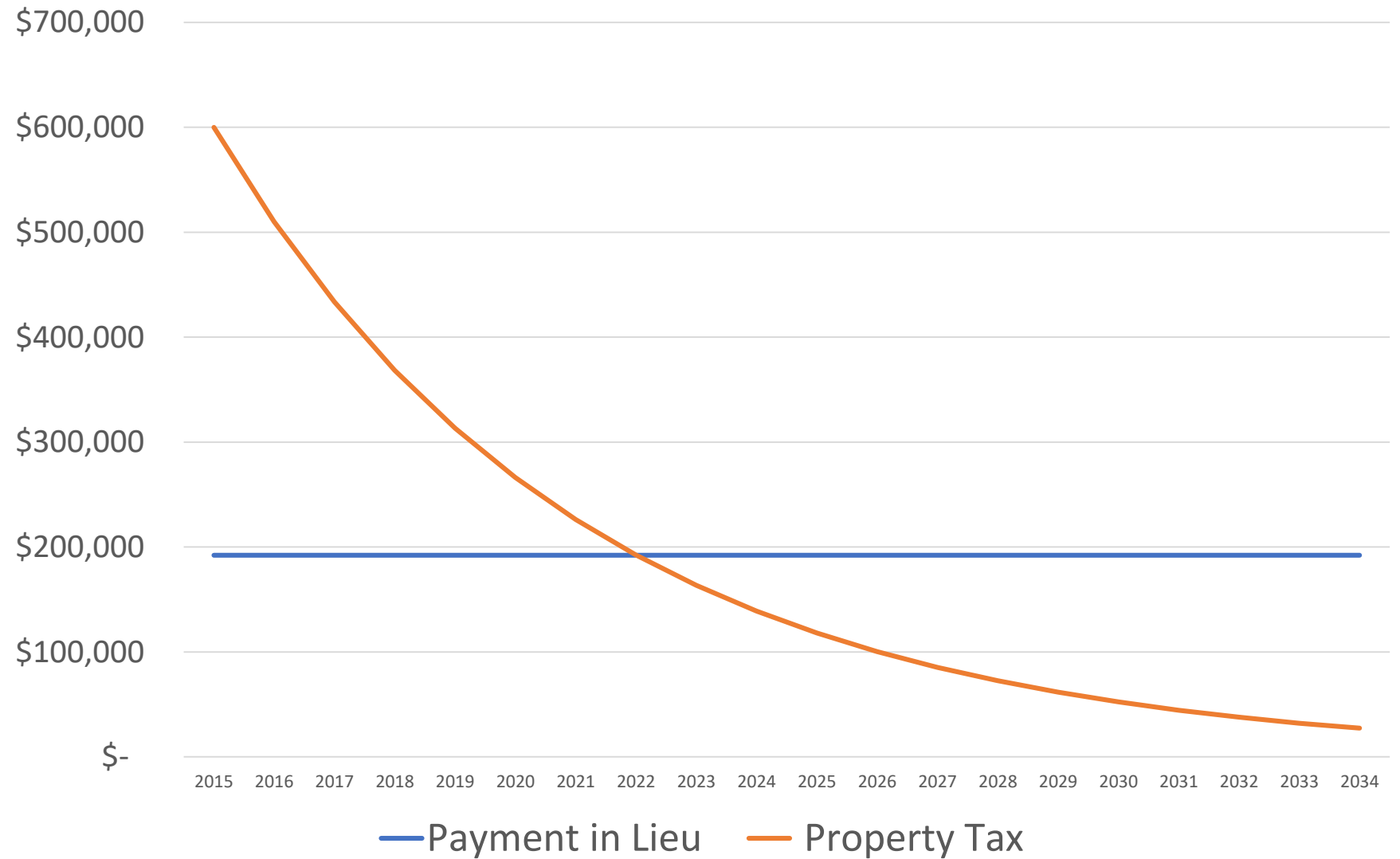




How does it work?

An Example

Property Tax vs PiLoT





Department of Revenue

Tax Expenditure Report

2.047 SOLAR PROJECTS

Oregon Statute: Note 3 following 307.175
Sunset Date: 01-01-2022 (for new agreements)
Year Enacted: 2015

2019-20 Estimated Reduction in the Taxable Assessed Value: \$196 million

	Loss	Shift
2019-21 Revenue Impact:	\$6,800,000	\$1,200,000
2021-23 Revenue Impact:	\$14,700,000	\$2,700,000

NOTE: The revenue impact estimate includes the effect of the sunset.

DESCRIPTION: Property constituting a solar project located in an unincorporated county area is exempt from property taxes when an agreement has been made between the governing body of the county and the owner of the solar project. A portion of the solar project may be located within the boundaries of an incorporated city, however in that case, the governing body of the city must also be a party to the agreement. A fee in lieu of property taxes is required as part of the agreement.

The agreement is limited to 20 consecutive years. The last day an agreement can be made is January 1, 2022.

If the owner of the solar project fails to pay the fee in lieu of property taxes by the prescribed date, the property does not receive an exemption the following property tax year. If the owner pays the delinquent fee plus interest within a year, the property can resume the exemption for the subsequent property tax year. However, if the owner fails to pay the fee in lieu of property taxes for more than one year, the property is disqualified from receiving this exemption from property taxes.

Legislation in 2019 (SB 769) changed the administrative process for counties doing the billing, collection, and distribution of the fee in lieu of property taxes, to integrate it into the existing property tax system.



The End

State of Oregon

Legislative Revenue Office

February 04, 2021