

SB 54 -3 STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

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Sub-Referral To: Joint Committee On Tax Expenditures

Meeting Dates: 2/7, 3/16

WHAT THE MEASURE DOES:

Removes provisions of property tax exemption for community solar projects that restrict exemption to proportion owned by residential customers or leased by residential subscribers. Applies to Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 Stipulates Act applies to property tax years beginning on or after July 1, 2024.

- Minimal Fiscal Impact
- Revenue Statement Issued

BACKGROUND:

Community solar is a distributed solar energy deployment model that allows customers to buy or lease part of a larger, off-site shared solar photovoltaic system and receive benefits for their participation. According to the National Renewable Energy Laboratory, 22 states and Washington, DC have passed some form of legislation enabling community solar, either through state-required programs or the authorization of a limited number of pilot projects. Oregon established a community solar program with the passage of Senate Bill 1547 in 2016.

The alternative energy system property tax exemption (ORS 307.175) exempts an alternative energy system from ad valorem property taxation if the system is a net metering facility (defined in ORS 757.300) or primarily designed to offset onsite electricity use. An 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. In 2022, the Legislature expanded the alternative energy system property tax exemption to include the residential portion of a community solar project.

Senate Bill 54 would expand the alternative energy system property tax exemption to include the non-residential portion of a community solar project.