

SB 54 A STAFF MEASURE SUMMARY

Joint Committee On Tax Expenditures

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Meeting Dates: 4/14

WHAT THE MEASURE DOES:

Removes provisions that exclude non-residential community solar projects from partial property tax exemption, beginning July 1, 2024. Takes effect 91st day after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

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.
- SB 54 may provide some parity with the current property tax exemptions for on-roof solar of residential customers and low-income service providers (Rooftop Solar and Storage Rebate Program) and residential community solar projects. Without the proposed exemption, non-residential community solar projects might be relatively hesitant to invest in a system that can increase the assessed value of the property.
- The community solar program was established by the passage of Senate Bill 1547 (2016). As an electricity company, a community solar project is centrally assessed by the Department of Revenue on behalf of counties.
- In 2022, Senate Bill 1519 extended the exemption for community solar projects 6 years by moving the sunset from July 1, 2023 to July 1, 2029. The bill also made the proportion of community solar projects that are owned or leased by residential customers or subscribers eligible for the exemption.
- As of May 2022, 22 states (including Oregon) and Washington, D.C. had enacted enabling legislation for community solar. Of these, 19 states (including Oregon) and Washington, D.C. have a program cap that limits the community solar capacity that can be installed in a particular utility service territory or throughout the state.
- In Oregon, as of March 2022, there were 67 registered managers of community solar projects, 25 of which have submitted project applications, and 4 of which have operational projects. Of the registered project managers, there were 50 from LLCs, 10 from corporations, 7 from non-profit organizations, and 0 from the public sector. According to the U.S. Department of Energy as of January 2022, all community solar projects in Oregon are in the western, southern, and central regions of the state.