

House Bill 3020

Sponsored by Representatives HOLVEY, HELM; Representatives LEVY E, SMITH DB, Senators DEMBROW, GOLDEN (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Extends property tax exemption to commercial community solar projects first granted exemption for property tax year beginning on or after July 1, 2023.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to community solar projects; amending ORS 307.175; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 307.175, as amended by section 1, chapter 79, Oregon Laws 2022, is amended
5 to read:

6 307.175. (1) As used in this section:

7 (a) "Alternative energy system" means property consisting of solar, geothermal, wind, water,
8 fuel cell or methane gas energy systems for the purpose of heating, cooling or generating electricity.

9 (b) "Community solar project" has the meaning given that term in ORS 757.386.

10 (c) "Residential" means that a dwelling is the occupant's principal place of residence.

11 (d) "Residential subscriber" means:

12 (A) A subscriber who is an individual owner or tenant of residential housing; or

13 (B) The owner of a residential building that subscribes on behalf of tenants residing in units of
14 low-income housing in the building.

15 (2) The following property is exempt from ad valorem property taxation:

16 (a) An alternative energy system that is:

17 (A) A net metering facility, as defined in ORS 757.300; or

18 (B) Primarily designed to offset onsite electricity use.

19 (b) **A community solar project according to the following terms:**

20 **(A) If the community solar project was first granted exemption under this section for a**
21 **property tax year beginning before July 1, 2023, only** the proportion of [*a community solar*] **the**
22 **project that is owned by residential customers or leased by residential subscribers.**

23 **(B) If the community solar project was first granted exemption under this section for a**
24 **property tax year beginning on or after July 1, 2023, all property constituting the project,**
25 **regardless of ownership or subscription.**

26 (3) Notwithstanding ORS 307.110 and 308.505 to 308.674, any portion of the real property to
27 which an alternative energy system is affixed is exempt under this section if:

28 (a) The real property is otherwise exempt from ad valorem property taxation; and

29 (b) The alternative energy system is exempt under this section.

30 (4) Property equipped with an alternative energy system is exempt from ad valorem property

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 taxation in an amount that equals any positive amount obtained by subtracting the real market
 2 value of the property as if it were not equipped with an alternative energy system from the real
 3 market value of the property as equipped with the alternative energy system.

4 (5) A community solar project is eligible to claim the exemption granted under this section be-
 5 ginning on the date on which the electrical inspection for the project is completed and approved.

6 (6) **For purposes of a community solar project described in subsection (2)(b)(A) of this**
 7 **section:**

8 (a) The proportion of [a] **the** community solar project that is owned by residential customers
 9 or leased by residential subscribers shall be the percentage of the nameplate capacity of the project
 10 that is allocated to such ownership or subscription as of January 1 at 1:00 a.m. of the assessment
 11 year.

12 [(7)(a)] (b)(A) The project manager of [a] **the** community solar project seeking exemption under
 13 this section must file with the Department of Revenue, on or before March 15 preceding the prop-
 14 erty tax year for which the exemption is claimed, the proportion determined in accordance with
 15 **paragraph (a) of this** subsection [(6) of this section]. The proportion may be included with the
 16 statement required under ORS 308.524.

17 [(b)] (B) Notwithstanding [paragraph (a) of this subsection] **subparagraph (A) of this**
 18 **paragraph**, the proportion may be filed with the department after March 15 and on or before May
 19 1 of the assessment year if accompanied by a late filing fee of \$200. The late filing fee is in addition
 20 to and not in lieu of any other filing fees or penalties applicable to the taxation of the community
 21 solar project.

22 [(8)] (7) A community solar project that is granted exemption under this section may not be
 23 granted any other exemption from ad valorem property taxes for the same property tax year.

24 **SECTION 2. This 2023 Act takes effect on the 91st day after the date on which the 2023**
 25 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**