

A-Engrossed Senate Bill 54

Ordered by the Senate March 20
Including Senate Amendments dated March 20

Sponsored by Senator FINDLEY, Representative OWENS (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.

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

A BILL FOR AN ACT

1
2 Relating to property tax exemption for community solar projects; amending ORS 307.175 and section
3 4, chapter 656, Oregon Laws 2011; and prescribing an effective date.

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

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

7 307.175. (1) As used in this section:

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

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

11 *[(c) "Residential" means that a dwelling is the occupant's principal place of residence.]*

12 *[(d) "Residential subscriber" means:]*

13 *[(A) A subscriber who is an individual owner or tenant of residential housing; or]*

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

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

17 (a) An alternative energy system that is:

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

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

20 (b) *[The proportion of]* A community solar project *[that is owned by residential customers or*
21 *leased by residential subscribers].*

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

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

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

26 (4) Property equipped with an alternative energy system is exempt from ad valorem property
27 taxation in an amount that equals any positive amount obtained by subtracting the real market
28 value of the property as if it were not equipped with an alternative energy system from the real

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 market value of the property as equipped with the alternative energy system.

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

4 [(6) *The proportion of a community solar project that is owned by residential customers or leased*
5 *by residential subscribers shall be the percentage of the nameplate capacity of the project that is allo-*
6 *cated to such ownership or subscription as of January 1 at 1:00 a.m. of the assessment year.*]

7 [(7)(a) *The project manager of a community solar project seeking exemption under this section must*
8 *file with the Department of Revenue, on or before March 15 preceding the property tax year for which*
9 *the exemption is claimed, the proportion determined in accordance with subsection (6) of this section.*
10 *The proportion may be included with the statement required under ORS 308.524.*]

11 [(b) *Notwithstanding paragraph (a) of this subsection, the proportion may be filed with the de-*
12 *partment after March 15 and on or before May 1 of the assessment year if accompanied by a late filing*
13 *fee of \$200. The late filing fee is in addition to and not in lieu of any other filing fees or penalties*
14 *applicable to the taxation of the community solar project.*]

15 [(8)] (6) A community solar project that is granted exemption under this section may not be
16 granted any other exemption from ad valorem property taxes for the same property tax year.

17 **SECTION 2.** Section 4, chapter 656, Oregon Laws 2011, as amended by section 28, chapter 193,
18 Oregon Laws 2013, section 1, chapter 542, Oregon Laws 2017, and section 2, chapter 79, Oregon
19 Laws 2022, is amended to read:

20 **Sec. 4.** (1) The amendments to ORS 307.175 by section 3, chapter 656, Oregon Laws 2011, apply
21 to property tax years beginning on or after July 1, 2011.

22 (2)(a) The amendments to ORS 307.175 by section 1, [of this 2022 Act] **chapter 79, Oregon Laws**
23 **2022**, apply to property tax years beginning on or after July 1, 2022, **and before July 1, 2024.**

24 **(b) The amendments to ORS 307.175 by section 1 of this 2023 Act apply to property tax**
25 **years beginning on or after July 1, 2024.**

26 (3) An exemption under ORS 307.175 may not be allowed for property tax years beginning after
27 July 1, 2029.

28 **SECTION 3. This 2023 Act takes effect on the 91st day after the date on which the 2023**
29 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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