

A-Engrossed
House Bill 3492

Ordered by the House May 18
Including House Amendments dated May 18

Sponsored by Representative HUFFMAN; Representatives BENTZ, DAVIS, HELM, READ, REARDON, Senator ROBLAN

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.

Requires county, upon request of owner of solar project, to enter into agreement, for period not to exceed 20 years, pursuant to which property constituting solar project is exempt from property taxation and owner pays fee in lieu of taxes. Provides that fee shall equal \$7,000 per megawatt of nameplate capacity of solar project. **If solar project is located within incorporated city, requires city to enter into agreement.** Provides that fee shall be distributed [*using same distribution schedule as for property taxes*] **to each taxing district in proportion to taxing district's total rate of ad valorem property taxes, excluding taxes imposed to repay bonded indebtedness. Requires disqualification from exemption and payment of penalty equal to one year of fee in lieu of property taxes if fee is delinquent for more than one year. Provides that property that has received exemption under certain economic development programs is not eligible to pay fee in lieu of property taxes.**

Sunsets on January 2, 2022.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation of solar projects; and prescribing an effective date.

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

4 **SECTION 1. (1)(a) Upon request of the owner or person in possession or control of a solar**
5 **project located in the county, the governing body of the county shall enter into an agreement**
6 **with the owner or person in possession or control that exempts from property taxes the**
7 **property constituting the solar project and allows the payment of a fee in lieu of property**
8 **taxes imposed on the property. An agreement may not be entered into for a term longer than**
9 **20 consecutive years.**

10 **(b) If the solar project is located within the boundaries of an incorporated city, the city**
11 **and the county shall enter into the agreement under this section.**

12 **(2) The fee in lieu of property taxes shall be computed at the rate of \$7,000 per megawatt**
13 **of nameplate capacity of the solar project for each property tax year. Megawatt of nameplate**
14 **capacity shall be carried to the third decimal place.**

15 **(3)(a) On or before December 31 preceding the first property tax year to which an**
16 **agreement entered into under this section relates, the owner or person in possession or**
17 **control of the solar project shall file with the county assessor a copy of the agreement and**
18 **a request for computation of the fee in lieu of property taxes for the property constituting**
19 **the solar project. The request must include any information required by the assessor to**
20 **compute the fee.**

21 **(b) On or before December 31 preceding each subsequent property tax year to which an**

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 agreement entered into under this section relates, the owner or person in possession or
2 control of the solar project shall file with the county assessor a request for computation of
3 the fee in lieu of property taxes for the property constituting the solar project. If the identity
4 of the owner or person in possession or control, or the nameplate capacity, of the solar
5 project has changed, the request for computation of the fee must include the new informa-
6 tion.

7 (c) A request for computation that is not filed on or before December 31 must be ac-
8 companied by a late fee of \$200.

9 (4)(a) On or before February 1 of each year to which the agreement relates, the county
10 assessor shall compute the fee in lieu of property taxes for the property constituting the
11 solar project and shall notify the owner or person in possession or control:

12 (A) That the fee in lieu of property taxes must be paid to the county treasurer on or
13 before March 1; and

14 (B) Of the amount due and of the consequences of late payment or nonpayment.

15 (b) Notwithstanding paragraph (a) of this subsection, payment of the fee in lieu of prop-
16 erty taxes is not due until after the notice required under paragraph (a) of this subsection
17 has been sent.

18 (c) On or before July 15 of each year, the county treasurer shall distribute fee revenue
19 collected under this section to each taxing district in which a solar project is located on the
20 basis of the ratio that the taxing district's total rate of ad valorem property taxes, excluding
21 the rates of taxes imposed to repay bonded indebtedness, bears to the total rate of ad
22 valorem property taxes, excluding the rates of taxes imposed to repay bonded indebtedness,
23 imposed by all taxing districts in which the solar project is located.

24 (5)(a) If the owner or person in possession or control of a solar project that has entered
25 into an agreement under this section fails to pay the fee as required under this section, the
26 property constituting the solar project is not exempt for the following property tax year and
27 shall be assessed and taxed as other similar property is assessed and taxed.

28 (b) Notwithstanding paragraph (a) of this subsection, the property shall be exempt for the
29 following property tax year upon payment, within one year after the date of delinquency, of
30 the delinquent fee plus interest at the rate prescribed in ORS 311.505 (2). Delinquent fees and
31 interest shall be collected in the manner provided for collection of delinquent property taxes
32 on personal property.

33 (6)(a) If the owner or person in possession or control of the solar project fails to pay the
34 fee in lieu of property taxes for more than one year during the term of an agreement entered
35 into under this section, notwithstanding the agreement, the property constituting the solar
36 project shall be disqualified for the exemption and payment of the fee in lieu of property
37 taxes.

38 (b) Property that is disqualified under this subsection shall:

39 (A) Be assessed and taxed as other similar property is assessed and taxed.

40 (B) In addition, be assessed a penalty in an amount equal to one year of the fee in lieu
41 of property taxes for the property. The penalty assessed under this subparagraph shall be
42 credited to the general fund of the county in which the property is located.

43 (7)(a) Property constituting a solar project that has received an exemption under ORS
44 285C.350 to 285C.370 or 307.123 for any property tax year is not eligible to pay a fee in lieu
45 of property taxes under this section.

1 **(b) Paragraph (a) of this subsection does not apply to property constituting a solar**
2 **project that was the subject of an application filed pursuant to ORS 285C.350 to 285C.370 if**
3 **the property did not receive the exemption for any property tax year. The election to pay**
4 **the fee in lieu of property taxes for property described in this paragraph is not a disqualifying**
5 **event.**

6 **SECTION 2.** **Section 1 of this 2015 Act applies to property tax years beginning on or after**
7 **July 1, 2016.**

8 **SECTION 3.** **(1) Section 1 of this 2015 Act is repealed on January 2, 2022.**

9 **(2) Notwithstanding subsection (1) of this section, property constituting a solar project**
10 **that is exempt from property taxes under section 1 of this 2015 Act on the date specified in**
11 **subsection (1) of this section shall continue to be exempt and to pay the fee in lieu of prop-**
12 **erty taxes for the term specified in the agreement entered into under section 1 of this 2015**
13 **Act.**

14 **SECTION 4.** **This 2015 Act takes effect on the 91st day after the date on which the 2015**
15 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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