



General Assembly

January Session, 2021

**Raised Bill No. 993**

LCO No. 4233



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:

(ET)

***AN ACT REMOVING THE PROPERTY TAX EXEMPTION FOR SOLAR PROJECTS AND RECLASSIFYING THE TAX CALCULATION OF SOLAR PROJECTS ON SINGLE PARCELS OF LAND.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (57) of section 12-81 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective October*  
3 *1, 2021, and applicable to tax assessment years commencing on and after*  
4 *October 1, 2021*):

5 (57) (A) (i) Any Class I renewable energy source, as defined in section  
6 16-1, or hydropower facility described in subdivision (21) of subsection  
7 (a) of section 16-1, installed for the generation of electricity capacity  
8 greater than seven megawatts for private residential use or on a farm,  
9 as defined in subsection (q) of section 1-1, provided such installation  
10 occurs on or after October 1, 2007, and further provided such installation  
11 is for a single family dwelling, a multifamily dwelling consisting of two  
12 to four units or a farm, (ii) any passive or active solar water or space  
13 heating system, or (iii) any geothermal energy resource. In the case of  
14 clause (i) of this subparagraph, such installations occurring on a single

15 parcel of land shall aggregate the nameplate capacity of each installation  
16 in the written application pursuant to subparagraph (E) of this section.  
17 In the case of clause (ii) or (iii) of this subparagraph, such exemption  
18 shall apply only to the amount by which the assessed valuation of the  
19 real property equipped with such system or resource exceeds the  
20 assessed valuation of such real property equipped with the  
21 conventional portion of the system or resource;

22 (B) For assessment years commencing on and after October 1, 2013,  
23 any Class I renewable energy source, as defined in section 16-1,  
24 hydropower facility described in subdivision (21) of subsection (a) of  
25 section 16-1, or solar thermal or geothermal renewable energy source,  
26 installed for generation or displacement of energy, provided (i) such  
27 installation occurs on or after January 1, 2010, (ii) such installation is for  
28 commercial or industrial purposes, (iii) the nameplate capacity of such  
29 source or facility does not exceed the load for the location where such  
30 generation or displacement is located, and (iv) such source or facility is  
31 located in a distressed municipality, as defined in section 32-9p, with a  
32 population between one hundred twenty-five thousand and one  
33 hundred thirty-five thousand;

34 (C) For assessment years commencing on and after October 1, 2013,  
35 any municipality may, upon approval by its legislative body or in any  
36 town in which the legislative body is a town meeting, by the board of  
37 selectmen, abate up to one hundred per cent of property tax for any  
38 Class I renewable energy source, as defined in section 16-1, hydropower  
39 facility described in subdivision (21) of subsection (a) of section 16-1, or  
40 solar thermal or geothermal renewable energy source, installed for  
41 generation or displacement of energy, provided (i) such installation  
42 occurs between January 1, 2010, and December 31, 2013, (ii) such  
43 installation is for commercial or industrial purposes, (iii) the nameplate  
44 capacity of such source or facility does not exceed the load for the  
45 location where such generation or displacement is located, and (iv) such  
46 source or facility is not located in a municipality described in  
47 subparagraph (B) of this subdivision;

48 (D) For assessment years commencing on and after October 1, 2014,  
49 any (i) Class I renewable energy source, as defined in section 16-1, (ii)  
50 hydropower facility described in subdivision (21) of subsection (a) of  
51 section 16-1, or (iii) solar thermal or geothermal renewable energy  
52 source, installed for generation or displacement of energy, provided (I)  
53 such installation occurs on or after January 1, 2014, (II) is for commercial  
54 or industrial purposes, (III) the nameplate capacity of such source or  
55 facility does not exceed the load for the location where such generation  
56 or displacement is located or the aggregated load of the beneficial  
57 accounts for any Class I renewable energy source participating in virtual  
58 net metering pursuant to section 16-244u, and (IV) in the case of clause  
59 (iii) of this subparagraph, such exemption shall apply only to the  
60 amount by which the assessed valuation of the real property equipped  
61 with such source exceeds the assessed valuation of such real property  
62 equipped with the conventional portion of the source;

63 (E) Any person claiming the exemption provided in this subdivision  
64 for any assessment year shall, on or before the first day of November in  
65 such assessment year, file with the assessor or board of assessors in the  
66 town in which such hydropower facility, Class I renewable energy  
67 source, solar thermal or geothermal renewable energy source or passive  
68 or active solar water or space heating system or geothermal energy  
69 resource is located, a written application claiming such exemption.  
70 Failure to file such application in the manner and form as provided by  
71 such assessor or board within the time limit prescribed shall constitute  
72 a waiver of the right to such exemption for such assessment year. Such  
73 application shall not be required for any assessment year following that  
74 for which the initial application is filed, provided if such hydropower  
75 facility, Class I renewable energy source, solar thermal or geothermal  
76 renewable energy source or passive or active solar water or space  
77 heating system or geothermal energy resource is altered in a manner  
78 which would require a building permit, such alteration shall be deemed  
79 a waiver of the right to such exemption until a new application,  
80 applicable with respect to such altered source, is filed and the right to  
81 such exemption is established as required initially;

82 (F) For assessment years commencing on and after October 1, 2015,  
83 any municipality may, by vote of its legislative body or, in a  
84 municipality where the legislative body is a town meeting, by vote of  
85 the board of selectmen, abate up to one hundred per cent of the property  
86 taxes due for any tax year, for not longer than the term of the power  
87 purchase agreement, with respect to any Class I renewable energy  
88 source, as defined in section 16-1, that is the subject of such power  
89 purchase agreement approved by the Public Utilities Regulatory  
90 Authority pursuant to section 16a-3f;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2021, and applicable to tax assessment years commencing on and after October 1, 2021</i>	12-81(57)

**Statement of Purpose:**

To remove the property tax exemption for solar projects under seven megawatts and reclassify the tax calculation of solar projects on single parcels of land.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*