
OLR Bill Analysis

SB 519

AN ACT CONCERNING THE PROPERTY TAX EXEMPTION FOR SOLAR PROJECTS AND THE TAX CALCULATION OF SOLAR PROJECTS ON ONE PARCEL OF LAND.

SUMMARY

This bill makes solar installations ineligible for the residential- and farm-use renewable energy property tax exemption if their nameplate capacity is between 0.5 and 7 megawatts.

Current law exempts from property tax Class I renewable energy sources (including solar) installed on or after October 1, 2007, for private residential use or on a farm if the source's estimated annual production does not exceed the estimated annual load where the sources (i.e., the solar installations) are located. (Nameplate capacity is generally the maximum potential output of the energy source under ideal conditions.)

By law, taxpayers claiming the exemption must file a statement with the municipality's assessor or board of assessors that includes the facility's annual load or production. The bill requires that taxpayers filing for this exemption list the total nameplate capacity of all solar installations located on the same property parcel, rather than listing each installation's capacity separately. In doing so, the bill appears to apply the exemption's capacity limit (i.e., the estimated annual load of the parcel) to the installations' aggregate nameplate capacity.

EFFECTIVE DATE: October 1, 2023, and applicable to assessment years starting on or after that date.

BACKGROUND

Related Bill

sHB 6764, favorably reported by the Energy and Technology Committee, creates a separate property tax exemption for facilities

larger than 25 kilowatts in capacity and establishes a “solar uniform capacity tax” for facility owners.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 21 Nay 0 (03/20/2023)