

# Finance, Revenue and Bonding Committee JOINT FAVORABLE REPORT

**Bill No.:** Senate Bill 451

AN ACT CONCERNING A WORKING GROUP TO EXAMINE THE PROPERTY

**Title:** TAX EXEMPTION FOR SOLAR PHOTOVOLTAIC SYSTEMS.

**Vote Date:** 4/3/2024

**Vote Action:** Joint Favorable

**PH Date:** 4/1/2024

**File No.:** 551

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## **SPONSORS OF BILL:**

Finance, Revenue and Bonding Committee  
Senator Norm Needleman, 33<sup>rd</sup> District  
Senator Catherine A. Osten, 19<sup>th</sup> District

## **REASONS FOR BILL:**

This bill would establish a working group to examine property tax exemptions for renewable solar energy projects; an exercise which may provide greater clarity to both municipalities and solar developers regarding local tax obligations.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

None expressed.

## **NATURE AND SOURCES OF SUPPORT:**

[Jason E. Bowsza, First Selectman, Town of East Windsor](#), asserts that this legislation would help Connecticut municipalities avoid the same pitfalls and litigation costs the Town of East Windsor faced in 2017 after the town's involvement with a solar project.

In 2017, a solar company approached the Town and promised to create local jobs and new revenues. Local jobs were created during the construction phase of the development. However, once the project was sited and built, the company immediately filed suit against the Town, claiming an exemption from personal property tax under §12-81(57)(D). This, after having promised as part of their local outreach new and sustainable revenues to the Town. This disingenuous representation to the Town not only failed to deliver on both promises made by the developer, but it cost the Town legal dollars to defend against a tax appeal that we ultimately lost. First Selectman Bowza suggests that the working group consider practical

changes to the exemptions listed in the underlying statute so as to protect municipal financial interests.

[Betsy Gara, Executive Director, Connecticut Council of Small Towns \(COST\)](#), has been involved in ongoing discussions with the Energy and Technology Committee regarding the creation of a uniform capacity tax on solar panels, which may provide greater clarity to both municipalities and solar developers regarding tax obligations. The working group created by the bill would have the opportunity to consider the impact of a uniform capacity tax on municipal property tax revenues, and COST would welcome the opportunity to serve.

**NATURE AND SOURCES OF OPPOSITION:**

None expressed.

**Reported by: Jason Snukis**

**Date: April 9, 2024**