



General Assembly

January Session, 2019

***Raised Bill No. 7206***

LCO No. 3974



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:  
(PD)

***AN ACT ESTABLISHING A PROPERTY TAX EXEMPTION FOR CERTAIN RENEWABLE ENERGY SOURCES AND HYDROPOWER FACILITIES.***

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2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2019, and applicable to assessment years commencing on or after*  
4 *October 1, 2019*):

5 (57) (A) (i) Any Class I renewable energy source, as defined in  
6 section 16-1, or hydropower facility described in subdivision (21) of  
7 subsection (a) of section 16-1, installed for the generation of electricity  
8 where such electricity is intended for private residential use or on a  
9 farm, as defined in subsection (q) of section 1-1, provided (I) such  
10 installation occurs on or after October 1, 2007, [and further provided]  
11 (II) the estimated annual production of such source or facility does not  
12 exceed the estimated annual load for the location where such source or  
13 facility is located, where such load and production are estimated as of  
14 the date of installation of the source or facility as indicated in the

15 written application filed pursuant to subparagraph (E) of this  
16 subdivision, and (III) such installation is for a single family dwelling, a  
17 multifamily dwelling consisting of two to four units or a farm; [ ] (ii)  
18 any passive or active solar water or space heating system; [ ] or (iii) any  
19 geothermal energy resource. In the case of subparagraph (A)(i) of this  
20 subdivision, the utilization of or participation in any net metering or  
21 tariff policy or program implemented by the state or ownership of  
22 such source or facility by a party other than the owner of the real  
23 property upon which such source or facility is installed shall not  
24 disqualify such source or facility from exemption pursuant to this  
25 section. In the case of clause (ii) or (iii) of this subparagraph, such  
26 exemption shall apply only to the amount by which the assessed  
27 valuation of the real property equipped with such system or resource  
28 exceeds the assessed valuation of such real property equipped with the  
29 conventional portion of the system or resource;

30 (B) For assessment years commencing on and after October 1, 2013,  
31 any Class I renewable energy source, as defined in section 16-1,  
32 hydropower facility described in subdivision (21) of subsection (a) of  
33 section 16-1, or solar thermal or geothermal renewable energy source,  
34 installed for generation or displacement of energy, provided (i) such  
35 installation occurs on or after January 1, 2010, (ii) such installation is  
36 for commercial or industrial purposes, (iii) the nameplate capacity of  
37 such source or facility does not exceed the load for the location where  
38 such generation or displacement is located, and (iv) such source or  
39 facility is located in a distressed municipality, as defined in section 32-  
40 9p, with a population between one hundred twenty-five thousand and  
41 one hundred thirty-five thousand;

42 (C) For assessment years commencing on and after October 1, 2013,  
43 any municipality may, upon approval by its legislative body or in any  
44 town in which the legislative body is a town meeting, by the board of  
45 selectmen, abate up to one hundred per cent of property tax for any  
46 Class I renewable energy source, as defined in section 16-1,  
47 hydropower facility described in subdivision (21) of subsection (a) of  
48 section 16-1, or solar thermal or geothermal renewable energy source,

49 installed for generation or displacement of energy, provided (i) such  
50 installation occurs between January 1, 2010, and December 31, 2013, (ii)  
51 such installation is for commercial or industrial purposes, (iii) the  
52 nameplate capacity of such source or facility does not exceed the load  
53 for the location where such generation or displacement is located, and  
54 (iv) such source or facility is not located in a municipality described in  
55 subparagraph (B) of this subdivision;

56 (D) For assessment years commencing on and after October 1, 2014,  
57 any (i) Class I renewable energy source, as defined in section 16-1, (ii)  
58 hydropower facility described in subdivision (21) of subsection (a) of  
59 section 16-1, or (iii) solar thermal or geothermal renewable energy  
60 source, installed for generation or displacement of energy, provided (I)  
61 such installation occurs on or after January 1, 2014, (II) is for  
62 commercial or industrial purposes, (III) the [nameplate capacity]  
63 estimated annual production of such source or facility does not exceed  
64 the estimated annual load for the location where such generation or  
65 displacement is located or the aggregated load of the beneficial  
66 accounts for any Class I renewable energy source participating in  
67 virtual net metering pursuant to section 16-244u, where such load and  
68 production are estimated as of the date of installation of the source or  
69 facility as indicated in the written application filed pursuant to  
70 subparagraph (E) of this subdivision, and (IV) in the case of clause (iii)  
71 of this subparagraph, such exemption shall apply only to the amount  
72 by which the assessed valuation of the real property equipped with  
73 such source exceeds the assessed valuation of such real property  
74 equipped with the conventional portion of the source;

75 (E) Any person claiming the exemption provided in this subdivision  
76 for any assessment year shall, on or before the first day of November  
77 in such assessment year, file with the assessor or board of assessors in  
78 the town in which such hydropower facility, Class I renewable energy  
79 source, solar thermal or geothermal renewable energy source or  
80 passive or active solar water or space heating system or geothermal  
81 energy resource is located, a written application claiming such  
82 exemption. Such application shall be made on a form prepared for

83 such purpose by the Secretary of the Office of Policy and Management,  
84 and shall include, but not be limited to, a statement of the estimated  
85 annual load and production of a source or facility described in  
86 subparagraphs (A)(i) and (D) of this subdivision as of the date of the  
87 installation of such source or facility. Said secretary shall make such  
88 application available to the public on the Internet web site of the Office  
89 of Policy and Management. Failure to file such application in the  
90 manner and form as provided [by such assessor or board within the  
91 time limit prescribed] shall constitute a waiver of the right to such  
92 exemption for such assessment year. Such application shall not be  
93 required for any assessment year following that for which the initial  
94 application is filed, provided if such hydropower facility, Class I  
95 renewable energy source, solar thermal or geothermal renewable  
96 energy source or passive or active solar water or space heating system  
97 or geothermal energy resource is altered in a manner which would  
98 require a building permit, such alteration shall be deemed a waiver of  
99 the right to such exemption until a new application, applicable with  
100 respect to such altered source, is filed and the right to such exemption  
101 is established as required initially. In the event that a person owns  
102 more than one such source or facility in a municipality, such person  
103 may file a single application identifying each such source or facility;

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

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>October 1, 2019, and applicable to assessment years commencing on or after October 1, 2019</i>	12-81(57)
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**Statement of Purpose:**

To establish a property tax exemption for certain renewable energy sources and hydropower facilities.

*[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.]*