

Senate Bill 769

Sponsored by Senator TAYLOR (at the request of Oregon State Association of County Assessors)

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 **as introduced**.

Provides that request for computation of fee in lieu of property taxes for property constituting solar project may not be filed after April 1 immediately preceding property tax year to which request relates. Requires county assessor to place all fees in lieu of property taxes upon tax roll for distribution pursuant to percentage schedule.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the administration of fees in lieu of property taxes assessed against solar projects; cre-
3 ating new provisions; amending section 1, chapter 571, Oregon Laws 2015; and prescribing an
4 effective date.

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

6 **SECTION 1.** Section 1, chapter 571, Oregon Laws 2015, is amended to read:

7 **Sec. 1.** (1)(a) The governing body of a county and the owner or person in possession or control
8 of a solar project located within the county and outside the boundaries of any incorporated city may
9 enter into an agreement that exempts from property taxes the property constituting the solar project
10 and allows the payment of a fee in lieu of property taxes imposed on the property. An agreement
11 may not be entered into for a term longer than 20 consecutive years.

12 (b) If any portion of a solar project is located within the boundaries of an incorporated city, the
13 governing body of the county shall consult with the governing body of the city before entering into
14 an agreement under paragraph (a) of this subsection. An agreement entered into under paragraph
15 (a) of this subsection with respect to a solar project located within the boundaries of the incorpo-
16 rated city is not effective unless the governing body of the city is a party to the agreement.

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

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

25 (b) On or before December 31 preceding each subsequent property tax year to which an agree-
26 ment entered into under this section relates, the owner or person in possession or control of the
27 solar project shall file with the county assessor a request for computation of the fee in lieu of
28 property taxes for the property constituting the solar project. If the identity of the owner or person
29 in possession or control, or the nameplate capacity, of the solar project has changed, the request for
30 computation of the fee must include the new information.

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 (c) A request for computation that is *[not filed on or before]* **filed after** December 31 must be
 2 accompanied by a late fee of \$200. **A request may not be filed after April 1 immediately pre-**
 3 **ceding the property tax year to which the request relates.**

4 (4)(a) On or before February 1 of each year to which the agreement relates, **or within 30 days**
 5 **after receipt of a late application**, the county assessor shall compute the fee in lieu of property
 6 taxes for the property constituting the solar project and shall notify the owner or person in pos-
 7 session or control^[.] **of the amount due that will appear on the next property tax statement.**

8 **(b) The county assessor shall extend upon the tax roll, as required under ORS 311.255,**
 9 **against the property, all fees in lieu of property taxes contained in notices for the property**
 10 **tax year. The fees shall be distributed pursuant to the percentage schedules prepared under**
 11 **ORS 311.390.**

12 *[(A) That the fee in lieu of property taxes must be paid to the county treasurer on or before March*
 13 *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 property taxes*
 16 *is not due until after the notice required under paragraph (a) of this subsection has been sent.]*

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

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

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

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

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

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

38 (B) In addition, be assessed a penalty in an amount equal to one year of the fee in lieu of
 39 property taxes for the property. The penalty assessed under this subparagraph shall be distributed
 40 in the manner described in subsection *[(4)(c)]* **(4)(b)** of this section.

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

44 (b) Paragraph (a) of this subsection does not apply to property constituting a solar project that
 45 was the subject of an application filed pursuant to ORS 285C.350 to 285C.370 if the property did not

1 receive the exemption for any property tax year. The election to pay the fee in lieu of property
2 taxes for property described in this paragraph is not a disqualifying event.

3 **SECTION 2.** The amendments to section 1, chapter 571, Oregon Laws 2015, by section 1
4 of this 2019 Act apply to property tax years beginning on or after July 1, 2020.

5 **SECTION 3.** This 2019 Act takes effect on the 91st day after the date on which the 2019
6 regular session of the Eightieth Legislative Assembly adjourns sine die.

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