

Enrolled
Senate Bill 769

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

CHAPTER

AN ACT

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

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

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

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

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

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

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

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

[(c) A request for computation that is not filed on or before December 31 must be accompanied by a late fee of \$200.]

[(4)(a) On or before February 1 of each year to which the agreement relates, the county assessor shall compute the fee in lieu of property taxes for the property constituting the solar project and shall notify the owner or person in possession or control:]

[(A) That the fee in lieu of property taxes must be paid to the county treasurer on or before March 1; and]

[(B) Of the amount due and of the consequences of late payment or nonpayment.]

[(b) Notwithstanding paragraph (a) of this subsection, payment of the fee in lieu of property taxes is not due until after the notice required under paragraph (a) of this subsection has been sent.]

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

(3)(a) On or before December 31 preceding the first property tax year to which an agreement entered into under this section relates, the owner or person in possession or control of the solar project shall file with the assessor of the county in which the solar project is located and the Department of Revenue a copy of the agreement and the nameplate capacity of the solar project.

(b) For each subsequent property tax year to which the agreement relates, the owner or person in possession or control of the solar project shall include with the statement required under ORS 308.520 the nameplate capacity of the solar project.

(c) A filing made under paragraph (a) of this subsection after December 31 must be accompanied by a late fee of \$200. A filing may not be made after March 1 preceding the property tax year to which the filing relates.

(4)(a) For each property tax year to which an agreement relates, the department, when certifying and transmitting the assessment roll to the county assessors under ORS 308.505 to 308.681, shall provide the nameplate capacity of each solar project paying the fee in lieu of property taxes to each assessor of a county in which a solar project is located.

(b) As required under ORS 311.255, the county assessors shall extend upon the tax roll against all property constituting a solar project located in the respective counties all fees in lieu of property taxes for the property tax year. The fees shall be distributed pursuant to the percentage schedules prepared under ORS 311.390.

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

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

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

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

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

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

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

(b) Paragraph (a) of this subsection does not apply to property constituting a solar project that was the subject of an application filed pursuant to ORS 285C.350 to 285C.370 if the property did not receive the exemption for any property tax year. The election to pay the fee in lieu of property taxes for property described in this paragraph is not a disqualifying event.

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

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

Passed by Senate April 2, 2019

Received by Governor:

Repassed by Senate June 29, 2019

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Approved:

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Lori L. Brocker, Secretary of Senate

.....M,....., 2019

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Peter Courtney, President of Senate

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Kate Brown, Governor

Passed by House June 18, 2019

Filed in Office of Secretary of State:

.....M,....., 2019

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Tina Kotek, Speaker of House

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Bev Clarno, Secretary of State