

## CHAPTER 571

AN ACT

HB 3492

Relating to taxation of solar projects; and prescribing an effective date.

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

**SECTION 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.

(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) 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.** Section 1 of this 2015 Act applies to property tax years beginning on or after July 1, 2016.

**SECTION 3.** (1) Section 1 of this 2015 Act is repealed on January 2, 2022.

(2) Notwithstanding subsection (1) of this section, property constituting a solar project that is exempt from property taxes under section 1 of this 2015 Act on the date specified in subsection (1) of this section shall continue to be exempt and to pay the fee in lieu of property taxes for the term specified in the agreement entered into under section 1 of this 2015 Act.

**SECTION 4.** This 2015 Act takes effect on the 91st day after the date on which the 2015 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.

Approved by the Governor June 25, 2015  
Filed in the office of Secretary of State June 29, 2015  
Effective date October 5, 2015

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