



Senate

General Assembly

File No. 242

January Session, 2013

Substitute Senate Bill No. 203

Senate, March 28, 2013

The Committee on Energy and Technology reported through SEN. DUFF of the 25th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING PROPERTY TAX EXEMPTIONS FOR RENEWABLE ENERGY SOURCES.

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2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage and applicable to assessment years commencing on or after October 1,*
4 *2013*):

5 (57) (a) Any Class I renewable energy source, as defined in section
6 16-1, or [any] hydropower facility described in subdivision (27) of
7 subsection (a) of section 16-1, installed for the generation of electricity
8 for private residential use or on a farm, as defined in subsection (q) of
9 section 1-1, provided such installation occurs on or after October 1,
10 2007, and further provided such installation is for a single family
11 dwelling, a multifamily dwelling consisting of two to four units or a
12 farm, or any passive or active solar water or space heating system or
13 geothermal energy resource;

14 (b) Any Class I renewable energy source, as defined in section 16-1,
 15 nonresidential solar thermal renewable energy source or hydropower
 16 facility described in subdivision (27) of subsection (a) of section 16-1,
 17 installed for the generation or displacement of electricity for
 18 commercial or industrial use, provided such installation occurs on or
 19 after January 1, 2010, and further provided such installation is for
 20 commercial or industrial purposes;

21 [(b)] (c) Any person claiming the exemption provided in this
 22 subdivision for any assessment year shall, on or before the first day of
 23 November in such assessment year, file with the assessor or board of
 24 assessors in the town in which such hydropower facility, Class I
 25 renewable energy source, nonresidential solar thermal renewable
 26 energy source or passive or active solar water or space heating system
 27 or geothermal energy resource is located, a written application
 28 claiming such exemption. Failure to file such application in the manner
 29 and form as provided by such assessor or board within the time limit
 30 prescribed shall constitute a waiver of the right to such exemption for
 31 such assessment year. Such application shall not be required for any
 32 assessment year following that for which the initial application is filed,
 33 provided if such hydropower facility, Class I renewable energy source,
 34 nonresidential solar thermal renewable energy source or passive or
 35 active solar water or space heating system or geothermal energy
 36 resource is altered in a manner which would require a building permit,
 37 such alteration shall be deemed a waiver of the right to such
 38 exemption until a new application, applicable with respect to such
 39 altered source, is filed and the right to such exemption is established as
 40 required initially;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to assessment years commencing on or after October 1, 2013</i>	12-81(57)

ET *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 14 \$	FY 15 \$
Various Municipalities	Grand List Reduction	See Below	See Below

Explanation

The bill requires municipalities to exempt certain renewable energy sources from property taxes. Various municipalities will experience a grand list reduction. This would result in an increased mill rate given a constant levy.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 203*****AN ACT CONCERNING PROPERTY TAX EXEMPTIONS FOR RENEWABLE ENERGY SOURCES.*****SUMMARY:**

This bill exempts from the property tax certain renewable energy sources installed on or after January 1, 2010, to generate or displace electricity for commercial or industrial use and purposes. It exempts (1) Class I renewable energy sources (e.g., solar or wind power), (2) nonresidential solar thermal (e.g., solar heated water), and (3) Class II renewable hydropower facilities. Current law exempts Class I renewable energy sources and Class II hydropower from the property tax if they were installed on or after October 1, 2007 to generate electricity for farm and residential use on farms and private residences.

The application process for the bill's tax exemption is the same as existing law's process for the residential and farm exemption. The applicant must file a written application with the town assessor or board of assessors by November 1. Failure to do so waives the exemption for that assessment year. Once approved, the exemption does not need to be renewed unless the renewable energy source is altered in a way that requires a building permit.

EFFECTIVE DATE: Upon passage and applicable to assessment years commencing on or after October 1, 2013.

BACKGROUND***Class I Renewable Energy Source***

By law, Class I renewable energy sources include energy derived from solar power, wind power, a fuel cell, methane gas from landfills, ocean thermal power, wave or tidal power, low emission advanced renewable energy conversion technologies, run-of-the-river

hydropower facilities under five megawatts that began operation after July 1, 2003 and do not cause an appreciable change in river flow, and certain sustainable biomass facilities (CGS § 16-1(a)(26)).

Class II Hydropower

A Class II hydropower facility is the same as a Class I hydropower facility, except that it began operation before July 1, 2003 (CGS § 16-1(a)(27)).

Related Bill

sSB 1138, reported favorably by the Energy and Technology Committee, makes several changes to the Class I renewable energy definition. Among other things, it (1) makes geothermal energy a Class I energy source, (2) increases the generation limit for Class I hydropower to 30MW, and (3) tightens emission standards for Class I sustainable biomass facilities.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 16 Nay 8 (03/14/2013)