

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 13-61—sSB 203**

*Energy and Technology Committee  
Appropriations Committee*

**AN ACT CONCERNING PROPERTY TAX EXEMPTIONS FOR  
RENEWABLE ENERGY SOURCES**

**SUMMARY:** This act (1) exempts from the property tax certain renewable energy sources installed on or after January 1, 2014 and (2) allows municipalities to abate the property taxes for renewable energy sources installed between January 1, 2010 and December 31, 2013.

For assessment years starting on or after October 1, 2014, the act exempts from the property tax renewable energy sources installed on or after January 1, 2014. The exempt property must (1) be for energy generation or displacement for commercial or industrial purposes; (2) not have a nameplate capacity that exceeds its location's load (i.e., it does not produce more energy than the location will need); and (3) be a (a) Class I renewable energy source (e.g., solar or wind power), (b) Class II renewable hydropower facility, or (c) solar thermal (e.g., solar heated water) or geothermal renewable energy source.

The exemption begins one year earlier in a distressed municipality with a population between 125,000 and 135,000 (i.e., New Haven) and applies to the same renewable energy sources installed as early as January 1, 2010.

For the same renewable energy sources installed between January 1, 2010 and December 31, 2013, the act allows other municipalities to abate up to 100% of the property taxes in assessment years starting on or after October 1, 2013. The exemption must be approved by the municipality's legislative body, or, if the legislative body is a town meeting, the board of selectmen. The energy source or facility receiving the abatement cannot be in a distressed municipality with a population between 125,000 and 135,000.

Existing 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 homes. The application process for the act'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 starting on or after October 1, 2013.

**BACKGROUND**

## OLR PUBLIC ACT SUMMARY

### *Class I Renewable Energy Source*

By law, Class I renewable energy sources include 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)).

OLR Tracking: LRH:JKL:PF:ts