



Town of Lebanon

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TESTIMONY

To: Energy and Technology Committee
From: Kevin Cwikla, First Selectman
Re: Bill 993
Date: March 8, 2021

My name is Kevin Cwikla and I am Lebanon's First Selectman. I want to thank the Committee for giving me the opportunity to express the town's support of Bill 993. This legislation, if enacted, would once again allow municipalities to collect taxes on industrial-size solar projects.

- Lebanon is no different, and like many communities in our state does not have public sewer or water infrastructure which can significantly limit the potential for non-residential or industrial development.
- In 2014 an out-of-state company applied to Lebanon's Planning and Zoning Commission for approval to construct a 6.1 megawatt industrial-size solar facility on 25-acres of land zoned for industry.
- At that time Lebanon had only two, vacant, industrial-zoned properties.
- The Commission reviewed the application for an 8-million dollar 6.1-megawatt industrial-size solar facility and unanimously approved it -- with the understanding that the town would be able to collect property taxes. This was based on the long-held principle that municipalities can collect taxes on industrial projects as well as Connecticut General Statute regarding solar facilities.
- The town understood that the Statute was designed to exempt taxes for developers of small solar projects producing up to 3-megawatts and encourage alternative energy. However, because the town approved a 6.1-megawatt facility, on a single parcel of land, it believed it was eligible to receive local taxes estimated at over \$100K -- similar to the way all communities in our State rely on taxes they received from Eversource and other utilities.
- Shortly after the town approved the 6.1-megawatt facility, the developer informed the Town Assessor that based on their read of the Statute [CGS Chapter 2013, 12-81 (57) D] they would not owe the town property taxes on the 25-acres of solar panels as they had created multiple virtual net metering service agreements with other communities to bring them below the 3-megawatt threshold for local taxation.
- After consulting with the Town Attorney, we were informed of the apparent loophole in the Statute, which left us without immediate recourse.

The town does not believe the loophole was envisioned by the Committee or the General Assembly when it authorized the tax exemption for small solar providers. While the town appreciates and supports the need for alternative energy sources as evidenced by its approval of this project, it is dependent upon local residential and industrial tax revenue in order to operate and meet the needs of the community. We strongly encourage your support of Bill 993.