



**Testimony
Betsy Gara
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Connecticut Council of Small Towns
Before the Energy & Public Utilities Committee
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The Connecticut Council of Small Towns (COST) strongly **supports SB-993, AN ACT REMOVING THE PROPERTY TAX EXEMPTION FOR SOLAR PROJECTS AND RECLASSIFYING THE TAX CALCULATION OF SOLAR PROJECTS ON SINGLE PARCELS OF LAND**, which would close a loophole in the existing law to ensure that municipalities can collect much-needed property taxes on large, industrial-size solar projects.

Under current law, in an effort to support renewable energy, an exemption from property taxes was adopted for small solar projects. Unfortunately, many solar developers are taking advantage of this exemption by installing small solar arrays side by side or using other means to avoid paying their fair share of property taxes.

Given the ongoing fiscal challenges facing municipalities and the uncertain economic impact that COVID-19 will have on residents and businesses, municipalities need to be able to rely on property tax revenues to fund the delivery of critical programs and services, including education, public health and public safety. Allowing certain solar developers to avoid paying property taxes based on a loophole in the law is unfair because it shifts a greater tax burden to already overburdened residents and businesses.

Municipalities have embraced efforts to improve energy efficiency and reduce costs in an effort to control property tax levels and benefit the environment, including performing energy audits, utilizing virtual net metering, installing solar arrays, and entering into power purchase agreements. However, allowing some solar developers to game the system to avoid paying their fair share of property taxes has raised concerns and questions in some communities, undermining support for solar projects.

Accordingly, COST urges lawmakers to support SB-993, which will help ensure that municipalities can appropriately collect much-needed property tax revenues for certain commercial projects. This will help alleviate some of the tax burden on residents and businesses in our small towns.

COST is an advocacy organization committed to giving small towns a strong voice in the legislative process. COST champions the major policy needs and concerns of Connecticut's suburban and rural towns.