

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 21-180—sHB 6106

Planning and Development Committee

AN ACT CONCERNING THE PROPERTY TAX EXEMPTION FOR CERTAIN RENEWABLE ENERGY SOURCES AND HYDROPOWER FACILITIES

SUMMARY: Existing law exempts from property tax Class I renewable energy sources (e.g., wind and solar) installed on or after October 1, 2007, for private residential or farm use. This act generally expands eligibility for the exemption by prohibiting these sources from being disqualified for the exemption because they (1) participate in net metering, tariff policies, or other state programs or (2) are owned by a party other than the owner of the property where the source is installed (e.g., leased solar panels). But the act also imposes size restrictions by limiting eligibility to sources whose estimated annual production does not exceed the estimated annual load where the source is located.

The act also makes several changes to the application form taxpayers must file to claim this exemption and other exemptions for renewable energy sources (e.g., solar water or space heating systems or geothermal energy resources, including those used for commercial or industrial purposes). The changes include requiring (1) owners of residential facilities to include the source's estimated annual production and location's estimated annual load and (2) the Office of Policy and Management (OPM), rather than municipalities, to prepare the application form.

EFFECTIVE DATE: October 1, 2021, and applicable to assessment years on or after that date.

EXEMPTION APPLICATION REQUIREMENTS

To claim the property tax exemptions for the renewable energy sources described above, existing law requires taxpayers to file an application with the assessor or board of assessors. Under prior law, assessors provided the application form. The act instead requires the OPM secretary, in consultation with the Connecticut Association of Assessing Officers and Connecticut Green Bank, to prepare the form and make it publicly available on its website.

The act requires applications for residential- or farm-use sources to include a statement of the source's estimated annual load and production as of its installation date. The act also allows someone owning multiple sources in the same municipality to file a single application identifying each one.