FISCAL IMPACT OF PROPOSED LEGISLATION   Measure: HB 3492 A4

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed
Versions are Considered Official

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Date: 06/02/2015

Measure Description:
Requires county, upon request of owner of solar project, to enter into agreement, for period not to exceed 20 years, pursuant to which property constituting solar project is exempt from property taxation and owner pays fee in lieu of taxes.

Government Unit(s) Affected:
Counties, Department of Revenue(DOR)

Summary of Expenditure Impact:
See Analysis.

Local Government Mandate:
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: This bill would require county, upon request of owner of solar project, to enter into agreement, for period not to exceed 20 years, pursuant to which property constituting solar project is exempt from property taxation and owner pays fee in lieu of taxes. In addition, the bill provides that fee shall equal $7,000 per megawatt of nameplate capacity of solar project.

The Department of Revenue does not anticipate a fiscal impact due to the provisions of this bill. Counties may have a fiscal impact due to the changes in which the property taxes are converted to fees and additional requirements on county assessors. It is not known how many projects this may apply to currently or how many projects this bill may apply to in the future. The fiscal impact of this bill is indeterminate.

Counties anticipate a minimal fiscal impact, but anticipate additional revenues of between $252,000 and $392,000 per year. The additional revenues would be the difference between current assessment for low value farmland of $2 per acre and the fee for the nameplate capacity which would equate to $1,000 per acre. The potential solar projects are anticipated to take place in Malheur, Harney, Jefferson, Wasco, Morrow, Umatilla, Lake, and Klamath counties.