

Requested by SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

**PROPOSED AMENDMENTS TO
SENATE BILL 154**

1 In line 2 of the printed bill, delete “amending section” and insert “creat-
2 ing new provisions; amending sections 1 and”.

3 Delete lines 5 through 14 and insert:

4 **“SECTION 1.** Section 1, chapter 571, Oregon Laws 2015, as amended by
5 section 1, chapter 628, Oregon Laws 2019, is amended to read:

6 **“Sec. 1.** (1)(a) The governing body of a county and the owner or person
7 in possession or control of a solar project located within the county and
8 outside the boundaries of any incorporated city may enter into an agreement
9 that exempts from property taxes the property constituting the solar project
10 and allows the payment of a fee in lieu of property taxes imposed on the
11 property.

12 **“(b)** An agreement [*may not be*] entered into **under this section:**

13 **“(A) May not be** for a term longer than 20 consecutive years;

14 **“(B) Must indicate how the land on which the solar project is lo-**
15 **cated will be treated with respect to the exemption and fee in lieu of**
16 **property taxes; and**

17 **“(C) Must set the rate of the fee in lieu of property taxes in ac-**
18 **cordance with subsection (2) of this section.**

19 **“[(b)] (c)** If any portion of a solar project is located within the boundaries
20 of an incorporated city, the governing body of the county shall consult with
21 the governing body of the city before entering into an agreement under par-

1 agraph (a) of this subsection. An agreement entered into under paragraph (a)
2 of this subsection with respect to a solar project located within the bound-
3 aries of the incorporated city is not effective unless the governing body of
4 the city is a party to the agreement.

5 “(2) The fee in lieu of property taxes shall be computed at [*the*] a rate
6 [*of*] **not less than \$5,500, and not more than \$7,000**, per megawatt of
7 nameplate capacity of the solar project for each property tax year. Megawatt
8 of nameplate capacity shall be carried to the third decimal place.

9 “(3)(a) On or before December 31 preceding the first property tax year to
10 which an agreement entered into under this section relates, the owner or
11 person in possession or control of the solar project shall file with the
12 assessor of the county in which the solar project is located and the Depart-
13 ment of Revenue a copy of the agreement and the nameplate capacity of the
14 solar project.

15 “(b) For each subsequent property tax year to which the agreement re-
16 lates, the owner or person in possession or control of the solar project shall
17 include with the statement required under ORS [308.520] **308.524** the name-
18 plate capacity of the solar project.

19 “(c) A filing made under paragraph (a) of this subsection after December
20 31 must be accompanied by a late fee of \$200. A filing may not be made after
21 March 1 preceding the property tax year to which the filing relates.

22 “(4)(a) For each property tax year to which an agreement relates, the
23 department, when certifying and transmitting the assessment roll to the
24 county assessors under ORS [308.505 to 308.681] **308.505 to 308.674**, shall
25 provide the nameplate capacity of each solar project paying the fee in lieu
26 of property taxes to each assessor of a county in which a solar project is
27 located.

28 “(b) As required under ORS 311.255, the county assessors shall extend
29 upon the tax roll against all property constituting a solar project located in
30 the respective counties all fees in lieu of property taxes for the property tax

1 year. The fees shall be **apportioned and** distributed [*pursuant to the per-*
2 *centage schedules prepared under ORS 311.390*] **among the taxing districts**
3 **having jurisdiction over the property in the proportion that each tax-**
4 **ing district’s total tax rate for the property tax year bears to all the**
5 **taxing districts’ total tax rates for the property tax year.**

6 “(5)(a) If the owner or person in possession or control of a solar project
7 that has entered into an agreement under this section fails to pay the fee
8 as required under this section, the property constituting the solar project is
9 not exempt for the following property tax year and shall be assessed and
10 taxed as other similar property is assessed and taxed.

11 “(b) Notwithstanding paragraph (a) of this subsection, the property shall
12 be exempt for the following property tax year upon payment, within one year
13 after the date of delinquency, of the delinquent fee plus interest at the rate
14 prescribed in ORS 311.505 (2). Delinquent fees and interest shall be collected
15 in the manner provided for collection of delinquent property taxes on per-
16 sonal property.

17 “(6)(a) If the owner or person in possession or control of the solar project
18 fails to pay the fee in lieu of property taxes for more than one year during
19 the term of an agreement entered into under this section, notwithstanding
20 the agreement, the property constituting the solar project shall be disquali-
21 fied for the exemption and payment of the fee in lieu of property taxes.

22 “(b) Property that is disqualified under this subsection shall:

23 “(A) Be assessed and taxed as other similar property is assessed and
24 taxed.

25 “(B) In addition, be assessed a penalty in an amount equal to one year
26 of the fee in lieu of property taxes for the property. The penalty assessed
27 under this subparagraph shall be distributed in the manner described in
28 subsection (4)(b) of this section.

29 “(7)(a) Property constituting a solar project that has received an ex-
30 emption under ORS 285C.350 to 285C.370 or 307.123 for any property tax year

1 is not eligible to pay a fee in lieu of property taxes under this section.

2 “(b) Paragraph (a) of this subsection does not apply to property consti-
3 tuting a solar project that was the subject of an application filed pursuant
4 to ORS 285C.350 to 285C.370 if the property did not receive the exemption
5 for any property tax year. The election to pay the fee in lieu of property
6 taxes for property described in this paragraph is not a disqualifying event.

7 **“SECTION 2.** Section 3, chapter 571, Oregon Laws 2015, is amended to
8 read:

9 **“Sec. 3.** (1) Section 1, [*of this 2015 Act*] **chapter 571, Oregon Laws 2015,**
10 is repealed on January 2, [2022] **2028.**

11 “(2) Notwithstanding subsection (1) of this section, property constituting
12 a solar project that is exempt from property taxes under section 1, [*of this*
13 *2015 Act*] **chapter 571, Oregon Laws 2015,** on the date specified in sub-
14 section (1) of this section shall continue to be exempt and to pay the fee in
15 lieu of property taxes for the term specified in the agreement entered into
16 under section 1, [*of this 2015 Act*] **chapter 571, Oregon Laws 2015.**

17 **“SECTION 3.** The amendments to section 1, chapter 571, Oregon
18 **Laws 2015, by section 1 of this 2021 Act apply to agreements for the**
19 **payment of fees in lieu of property taxes entered into pursuant to**
20 **section 1, chapter 571, Oregon Laws 2015, on or after the effective date**
21 **of this 2021 Act.**

22 **“SECTION 4.** This 2021 Act takes effect on the 91st day after the
23 **date on which the 2021 regular session of the Eighty-first Legislative**
24 **Assembly adjourns sine die.”**

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