

HB 3823 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 4/29

WHAT THE MEASURE DOES:

Exempts from property tax personal property installed on the premises of a business and property installed on the premises of a residence to generate energy in any form, or to store the energy generated, to the extent the energy is used onsite by the business or residence. Excludes centrally assessed properties from the property tax exemption for business personal property. Limits property tax exemption amount for residences to the additional value added to the underlying property because it is equipped with property for generating and storing energy. Applies to property tax years 2026-27 and after.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Solar, geothermal, wind, water, fuel cell, or methane gas energy systems used for heating, cooling, or generating electricity are exempt from property tax. To qualify, the system must be an alternative energy system designed to offset electricity use or be a community solar project in which owners and subscribers share the costs and benefits of the project. The additional value added to the underlying property because it is equipped with the alternative energy system or community solar project is exempt from property tax. A community solar project granted this exemption may not be granted any other property tax exemption for the same property tax year. No application is required. The exemption sunsets after the 2029-30 tax year.