HOUSE . . . . . No. 4010

The Commonwealth of Massachusetts

In the Year Two Thousand Twelve

An Act relative to property tax exemptions for renewable power systems.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 2B of chapter 59 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended, in line 2, by inserting after the words "benefit of" the" the following words:- a governmental entity, including, but not limited to,"

SECTION 2. Said section 2B of said chapter 59 of the General Laws, as so appearing, is hereby further amended, in line 37, by inserting after the word "public" the following words:- , to leases for renewable generation facilities, defined as eligible under subsection (c) of section 11F of chapter 25A, in which not less than 50 per cent of the energy output is assigned to either the municipality in which the facility is located or to the governmental entity that owns the land on which the facility is located,

SECTION 3. Section 5 of said chapter 59, as so appearing, is hereby amended by striking out the forty-fifth clause and inserting in place thereof the following clause:-

Forty-fifth, Any solar or wind powered system that is capable of producing not more than 125 per cent of the annual energy needs of the property upon which it is located and is behind the meter serving the energy needs of that property. All other solar and wind powered systems shall also be exempt provided that the owner has made to the city or town where the system is located a payment in lieu of taxes, equal to 5 per cent of the system's gross electricity sales, including receipt of net metering credits as defined in section 138 of chapter 164, in the preceding calendar year. For years 1 and 2, the payments shall be annualized based on gross estimated sales derived from a formula to be determined by the department of revenue, in consultation with the department of energy resources. An exemption under this clause shall be allowed only for a period of 20 years from the date of operation of such system.

SECTION 4. Subsection (b) of section 38H of said chapter 59, as so appearing, is hereby amended in line 88, by inserting after the word "thereof" the following sentence:- For purposes

24 of this section, a generation facility shall not include a facility powered by sun or wind to
25 generate electricity.