HOUSE DOCKET, NO. 2687 FILED ON: 1/20/2017

HOUSE . . . . . No. 2651

The Commonwealth of Massachusetts

PRESENTED BY:

Frank I. Smizik

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to modernize the renewable energy property tax exemption.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Frank I. Smizik	*15th Norfolk*	*1/20/2017*
Marjorie C. Decker	*25th Middlesex*	*1/20/2017*
Edward F. Coppinger	*10th Suffolk*	*1/20/2017*
Paul R. Heroux	*2nd Bristol*	*1/20/2017*
Solomon Goldstein-Rose	*3rd Hampshire*	*1/20/2017*

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HOUSE . . . . . No. 2651

By Mr. Smizik of Brookline, a petition (accompanied by bill, House, No. 2651) of Frank I. Smizik and others relative to the renewable energy property tax exemption. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *2681* OF 2015-2016.]

The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court
(2017-2018)

An Act to modernize the renewable energy property tax exemption.

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 5 of said Chapter 59, as appearing in the 2014 Official Edition, is hereby amended by striking out clause Forty-fifth, in lines 1496 to 1501 and inserting in place thereof the following clause:-

Forty-fifth, any solar powered water heating system.

SECTION 2. Said Section 5 of Chapter 59 is further amended by inserting after clause Forty-fifth A, in lines 1502 to 1516, the following:-

Forty-fifth B, any solar or wind powered system having an electricity generating capacity not greater than 60 kilowatts.

Forty-fifth C, any solar or wind powered system having an electricity generating capacity greater than 60 kilowatts to the extent of 85% of the appraised value of the system, provided, however, that in lieu of such exemption, the owner of such a system may, in order to comply with its property tax liability obligation, execute an agreement for the payment in lieu of taxes with the municipality in which such system is sited, and said company shall be exempt from property taxes, in whole or in part, as provided in any such agreements during the terms thereof. Any such agreement shall be the result of good faith negotiations and shall be the equivalent of the property tax obligation based on full and fair cash valuation. Any such negotiated amount shall be included in the tax base for purposes of determining the levy ceiling and levy limit under section 21C of chapter 59 and in determining minimum residential factor and classification of property under section 1A of chapter 58 of the General Laws and section 56 of chapter 40 of the General Laws. The department of revenue may issue guidelines for implementing the provisions of this subsection consistent with preserving the negotiated payment amount in the local tax base for such purpose. This clause shall not apply to projects developed under section 1A of chapter 164.

Forty-fifth D, an exemption under this clause forty-fifth shall be allowed only for a period of twenty years from the date of the installation of the system.

SECTION 3. The division of local services within the department of revenue shall study the impact and provide an estimate of the effect of the changes to chapter 59 of the General Laws contained in this act on municipal revenues. The division of local services shall submit a report detailing its findings to the clerks of the senate and the house of representatives, the chairs of the joint committee on telecommunications, utilities and energy, the chairs of the joint committee on

revenue and the chairs of the joint committee on municipalities and regional government not later than 4 years after the effective date of this act.