

COMMITTEE ON REVENUE ~ BILL SUMMARY

Bill Number:	H.3179
Name:	AN ACT RELATIVE TO CLARIFYING PROPERTY TAX EXEMPTIONS FOR SOLAR AND WIND SYSTEMS
Sponsor(s):	Rep. Christopher M. Markey (Dartmouth)
Hearing Date:	July 15, 2025
Reporting Date:	September 13, 2025
Prior History:	2023-24 (H.2885): Reported favorably; Referred to House Ways and Means 2012-22 (H.2827, Barrett): Reported favorably, accompanied H.3008; referred to House Steering 2019-20 (H.2403, Barrett): Reported favorably, accompanied H.2619; referred to House Steering 2017-18 (H.1487, Cariddi): Reported favorably as a new draft (H.3906); referred to House Third Reading 2015-16 (H.2465, Cariddi): Reported favorably as a new draft (H.4028); placed on Orders of the Day

CURRENT LAW:

M.G.L. c. 59 § 5 cl. Forty-fifth – Solar and wind property tax exemptions: Exempts from property taxes, for up to 20 years, any solar or wind energy system that supplies heat or energy to property that is subject to taxes under chapter 59 of the General Laws.

Appellate Tax Board (ATB) Decisions:

Prior to the decisions discussed below, many assessors limited the exemption in clause Forty-fifth to systems either: (1) located on the same parcel to which they were supplying energy; or (2) located on a parcel contiguous with the property it was supplying energy to and which was under the same ownership as the system.

In Forrestall Enterprises, Inc. v. Board of Assessors of the Town of Westborough (2014), the ATB held that the exemption applies even if the system does not supply energy to the property where it is located.¹ In this case, the same taxpayer owned all properties that were either receiving power from the system or using the system's energy to offset energy costs (through net-metering).²

In KTU, LLC v. Board of Assessors of the Town of Swansea (2016), the local assessor did not allow the exemption for a solar farm that was selling its energy to taxable commercial property under separate ownership from the solar farm.³ The ATB overruled the assessor, stating the exemption applied to *any* solar or wind energy system that was supplying heat or energy to property that is subject to taxes under chapter 59 of the General Laws.⁴ The ATB noted that in other similar property tax exemptions, the legislature was explicit when it intended to restrict the exemption to certain type of taxpayer or a certain type of property.⁵

M.G.L. c. 59 § 38H(b) – Payments to municipalities in which an affiliated generation facility is located: Generation companies⁶ or wholesale generation companies⁷ that do not qualify for a manufacturing property exemption⁸ may enter into a PILOT agreement with the municipality where the generation facility⁹ is located.

PROPOSED CHANGE(S):

M.G.L. c. 59 § 5 cl. Forty-fifth: This bill would slightly narrow the exemption’s applicability and offer a new PILOT option. Under the proposal, the exemption would only apply to systems capable of producing not more than 125% of the annual energy needs of the real property “upon which it is located.” The phrase “upon which it is located” would include all property in which the owner holds an interest, whether contiguous or not, thus codifying the ATB ruling.

All other solar or wind powered systems would have the option of signing a PILOT agreement with the city or town where the system is located. The exemption and PILOT option would not be available to electric companies.

M.G.L. c. 59 § 38H (b): For the purposes of PILOT agreements in this section, generation facilities would not include facilities powered by sun or wind to generate electricity. Furthermore, a PILOT agreement under this section would preclude a taxpayer from claiming the solar and wind property tax exemption under clause Forty-fifth.