Members
Rules Advisory Committee

- John Barbee, HEP Global
- Nathan Bigby, President, Oregon State Association of County Assessors
- Brooke Brownlee, Portland General Electric
- John Calhoun, Tax Fairness Oregon
- Mark Gharst, Lobbyist, League of Oregon Cities
- Terry Harris
- Ryan Harvey, Pacificorp
- Tyler Janzen, Association of Oregon Counties
- Erik Kancler, Oregon State Association of County Assessors
- Pandian Krishnaswamy, Oregon Department of Energy
- Scot Langton, Assessor, Deschutes County
- Kathy Moyer, League of Women Voters
- Ray Sanchez Pescador, Solarize Rogue
- Ryan Sheehy, Oregon Solar and Storage Industries Association
- Hasina Wittenberg, Special Districts Association of Oregon
• PURPOSE
• This Rules Advisory Committee (RAC) will help inform and assist the Department of Revenue (DOR) administrative rulemaking to develop rules for county assessors to re-calculate the maximum-assessed value (MAV) of properties when they are newly-eligible for or disqualified from a partial exemption of assessed value (AV). If the RAC indicates that the potential rules will have a significant adverse fiscal impact on small business, the agency will seek the RAC’s input on mitigating the cost of compliance.
• Though this RAC is not a voting body, DOR’s goal in convening members is to receive individual and group input for administrative rulemaking. The input provided will help DOR to develop draft rules for the Director’s consideration.

• RAC OPERATING PRINCIPLES, GUIDELINES, and EXPECTATIONS
• This RAC agrees to seek balanced recommendations that comply with legislative intent, align with the statute, and address the needs of the broader constituent group they have been asked to represent, while first and foremost serving the needs of the state as a whole. Members will consider the viewpoints of other participants and conduct themselves in a respectful manner that promotes collaboration.

• Meeting Preparation and Participation
• Attend the meeting.
• Prepare for the meeting by reading materials in advance and arriving on time.
• Notify DOR if there is an unavoidable conflict that requires late attendance or absence and provide comments prior to the meeting if unable to attend.

• Meeting Deliberations
• Listen carefully and respectfully.
• Encourage respectful, candid, and constructive discussions.
• Focus on the subject at hand and help the group stick to the agenda.
• Allow for a balance of speaking time and respect time limits.
• Seek to resolve differences and find common ground.
• This should be a safe place where specific proposals can be made in open and frank problem-solving conversation.

• Making Recommendations
• Recommendations should align with legislative intent and DOR statutory authority.
• Written comments from members unable to attend meetings will be considered.
• Strive to come to consensus on the recommendations - understanding that recommendations are strengthened by high levels of agreement. Consensus is achieved when all members can accept and will support the recommendation. RAC recommendations will be understood as the most viable choice even if it may not be each individual member’s personal preference.

• Accessibility to Public
• Meetings will be open to the public for observation.
• Members of the public who wish to provide comments to the RAC are encouraged to submit written comments to DOR by emailing Philip.L.McClellan@dor.oregon.gov. All written comments will be distributed to RAC members for consideration.
• Ten minutes will be set aside at each meeting to allow for brief public comments and to share any written comments received.

• External Communications
• All official communications regarding the process will be conducted through DOR.
• Members will refrain from mischaracterizing comments or views of the other members.
• Inquiries by the media will be referred to robin.maxey@oregon.gov.
• In communication outside of RAC meetings, members shall clearly state the views they are expressing are their own and not that of the RAC.
• Members will communicate with their stakeholder groups to ensure that they are well informed of the group’s discussions and progress and to ensure that issues are identified that need to be communicated to the RAC.
• Members will contact DOR staff regarding suggestions to help future meetings and activities work more effectively.
• Participation in the RAC does not preclude any member from providing public comment on the draft administrative rule in any rulemaking process open for public comment.
1. Roll call
2. Introductory comments
3. Review draft rule language
4. Discussion
5. Public comment
CHAPTER 79
AN ACT (SB 356)
Relating to property tax exemption for community solar projects; creating new provisions; amending ORS 307.175 and 757.386 and section 4, chapter 656, Oregon Laws 2011; and providing an effective date.
Be it enacted by the People of the State of Oregon:

SECTION 1. ORS 307.175 is amended to read: 307.175. (1) As used in this section, "(a) "Alternative energy system" means a property consisting of solar, geothermal, wind, water, fuel cell or methane gas energy systems for the purpose of heating, cooling or generating electricity.
(b) "Community solar project" has the meaning given that term in ORS 757.386.
(c) "Residential" means that a dwelling is the occupant's principal place of residence.
(d) "Residential subscriber" means:
   (A) A subscriber who is an individual owner or tenant of residential housing; or
   (B) The owner of a residential building that subscribes on behalf of tenants residing in units of low-income housing in the building.
(2) An alternative energy system. The following property is exempt from ad valorem property taxation if the system is:
   (a) An alternative energy system that is:
      (A) A net metering facility, as defined in ORS 757.400 or
      (B) Primarily designed to offset onsite electricity use.
   (b) The proportion of a community solar project that is owned by residential customers or leased by residential subscribers.
(3) Notwithstanding ORS 307.110 and 398.560 to 398.674, any portion of the real property to which an alternative energy system is affixed is exempt under this section if:
   (a) The real property is otherwise exempt from ad valorem property taxation; and
   (b) The alternative energy system is exempt under this section.
(4) Property equipped with an alternative energy system is exempt from ad valorem property taxation in an amount that equals any positive amount obtained by subtracting the real market value of the property as if it were not equipped with an alternative energy system from the real market value of the property as equipped with the alternative energy system.
(5) A community solar project is eligible to claim the exemption granted under this section beginning on the date on which the electrical interconnection for the project is completed and approved.
(6) The proportion of a community solar project that is owned by residential customers or leased by residential subscribers shall be the percentage of the nameplate capacity of the project that is allocated to such ownership or subscription as of March 15 preceding the property tax year for which the exemption is claimed, the proportion determined in accordance with subsection (6) of this section. The proportion may be included with the statement required under ORS 308.524.
(b) Notwithstanding paragraph (a) of this subsection, the proportion may be filed with the department after March 15 and on or before May 1 of the assessment year if accompanied by a late filing fee of $200. The late filing fee is in addition to and not in lieu of any other filing fees or penalties applicable to the taxation of the community solar project.
(6) A community solar project that is granted exemption under this section may not be granted any other exemption from ad valorem property taxes for the same property tax year.

SECTION 2. Section 4, chapter 656, Oregon Laws 2011, as amended by section 28, chapter 193, Oregon Laws 2013, and section 1, chapter 542, Oregon Laws 2017, is amended to read: Sec. 4. (1) The amendments to ORS 307.175 by section 3, chapter 656, Oregon Laws 2011, apply to property tax years beginning on or after July 1, 2011.
(2) The amendments to ORS 307.175 by section 1 of this 2023 Act apply to property tax years beginning on or after July 1, 2023.
(3) An exemption under ORS 307.175 may not be allowed for property tax years beginning after July 1, 2023.

SECTION 3. ORS 757.386 is amended to read: 757.386. (1) For purposes of this section:
   (a) "Community solar project" means one or more solar photovoltaic energy systems that provide owners and subscribers the opportunity to share the costs and benefits associated with the generation of electricity by the solar photovoltaic energy systems.
   (b) "Electric company" has the meaning given that term in ORS 757.006.
   (c) "Owner" means a customer of an electric company who has proportionate ownership of part of a community solar project, such as direct ownership of one or more solar panels or shared ownership of the infrastructure of the community solar project.
   (d) "Project manager" means the entity identified as having responsibility for managing the operation of a community solar project and, if applicable, for maintaining contact with the electric company that procures electricity from the community solar project. A project manager may be:
      (A) An electric company; or
150-308-0592

Defining Electrical Inspection for Community Solar

Date on which the electrical inspection for the project is completed and approved and eligible to claim the exemption granted under ORS 307.175(5) is the date the utility company (the off-taker of the electricity), confirms completion of its inspection and installation of a bidirectional meter and certifies permission to operate the project. The taxpayer applying for the community solar project exemption (the Project Manager) must provide to the Department of Revenue written confirmation from the utility that the electrical inspection has been completed and the project is certified for operation.

Statutes/Other Authority: ORS 305.100

Statutes/Other Implemented: ORS 307.175
Questions?
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Do you have questions or need help?
www.oregon.gov/dor
503-378-4988 or 800-356-4222
questions.dor@oregon.gov
Contact us for ADA accommodations or assistance in other languages.