

Sec. 1. 32 V.S.A. § 3802(17) is amended to read:

(17) Real and personal property, except land, composing a renewable energy plant generating electricity from solar power, to the extent the plant is exempt from taxation under chapter 215 of this title which has a plant capacity of less than 50 kW AC and is either (1) operated on a net metered system or (2) not connected to the electric grid and provides power only on the property on which the plant is located.

Sec. 2. 32 V.S.A. § 3481(c) is added to read:

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(c) For real and personal property comprising a renewable energy plant generating electricity from solar power, except land and property that is exempt under 32 V.S.A. § 3802(17), appraisal value shall be determined by an income capitalization or discounted cash flow approach which includes the following:

- i. an appraisal model identified and published by the Director employing appraisal industry standards and inputs;
- ii. a discount rate determined and published annually by the Director;
- iii. the appraisal value shall be 70% of the value calculated using the model published by the Director based on an expected 25 year project life and shall be set in the grand list next lodged after the plant is commissioned and each subsequent grand list for the lesser of the remaining life of the project or 25 years;
- iv. for the purposes of calculating appraisal value for net metered systems receiving a credit specified in Section 219a (h)(1)(k) of Title, the model used to calculate value will not incorporate a factor for electricity rate escalation;
- v. for plants operating as a net metered system as described in Section 219a of Title 30 with a capacity of 50 kW AC or greater, the plant capacity used to determine value in the model shall be reduced by 50 kW AC and the appraisal value shall be calculated only on additional capacity in excess of 50 kW AC.

The owner of a project shall respond to a request for information from the municipal assessing officials by returning the information sheet describing the project in the form specified by the Director not later than 45 days after the request for information is sent to the owner. If the owner does not provide a complete and timely response, the municipality shall determine appraisal value using the published model and the best estimates of the inputs to the model available to the municipality at the time and the provisions of section 4006 of this Title shall apply to the information form in the same manner as if the information form was an inventory as described in

that section. Nothing in this subsection shall affect the availability of the exemption set forth in the provisions of section 3845 of this title or availability of a contract under the provisions of section 2741 of Title 24.

Sec. 3. 32 V.S.A. § 3845 is amended to read:

**§ 3845. Alternate Renewable energy sources**

(a) At an annual or special meeting warned for that purpose, a town may, by a majority vote of those present and voting, exempt ~~alternate~~ renewable energy sources, as defined herein, from real and personal property taxation. Such exemption shall first be applicable against the grand list of the year in which the vote is taken and shall continue until voted otherwise, in the same manner, by the town.

(b) For the purposes of this section, alternate renewable energy shall have the same meaning as in 30 V.S.A. § 8002(17) ~~sources includes any plant, structure or facility used for the generation of electricity or production of for energy used on the premises for private, domestic, or agricultural purposes, no part of which may be for sale or exchange to the public. The term shall include, but not be limited to grist mills, windmills, facilities for the collection of solar energy or the conversion of organic matter to methane, net metering systems regulated by the Public Service Board under 30 V.S.A. § 219a, and all component parts thereof including but excluding land upon which the facility is located, not to exceed one-half acre.~~

Sec. 4. 32 V.S.A. §8701 is amended to read:

(b) There is assessed on any renewable energy plant in Vermont commissioned to generate solar power an annual tax of \$4.00 ~~\$8.00~~ per kW AC plant capacity. The tax shall be paid to the Department of Taxes no later than April 15 of each year and accompanied by a return with such information as the Department of Taxes may require. The Department of Taxes shall deposit the taxes collected under this section into the Education Fund. ~~Not later than May 15 in each year, the State shall pay to each municipality in which a renewable energy plant taxed under this section is located 50 percent of that portion of the tax revenue which has been collected upon the plant in that municipality for the immediately preceding taxable year.~~ The Department of Taxes may adopt procedures and rules necessary to implement the tax in this section.

(c) A renewable energy plant that generates electricity from solar power shall be exempt from taxation under this section if it has a plant capacity equal to or less than ~~40~~ 150 kW AC.

Sec. 5. No. 127, sec. 4 of the Acts of 2012 (prospective repeal of exemptions for small renewable energy plants and report) is amended to read:

Sec. 4. ~~PROSPECTIVE REPEAL; REPORT~~

~~32 V.S.A. §§ 8701(c) and 3802(17) (exemptions for small renewable energy plants) shall be repealed on January 1, 2023. By January 15, 2021, the department of taxes shall report to the senate committees on finance and on natural resources and energy and the house committees on ways and means and on natural resources and energy with a~~

recommendation on whether the exemptions in 32 V.S.A. §§ 8701(c) and 3802(17) should be retained or allowed to be repealed and whether the rate of tax in 32 V.S.A. § 8701(b) should be altered.

**Sec 6. EFFECTIVE DATE**

Sections 1 through 5 shall be effective January 1, 2015 and apply to grand lists for April 1, 2015 and after and uniform capacity tax due in 2015 and after.