

SENATE BILL 3296

By McNally

AN ACT to amend Tennessee Code Annotated, Section 67-5-601 and Section 67-5-604, relative to the valuation and ad valorem assessment of green energy production property.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-601, is amended by adding the following as a new appropriated designated subsection:

(f) The general assembly finds that any public utility property or commercial and industrial property that generates electricity using machinery and equipment from a certified green energy production facility, as defined in § 67-4-2004, is generally capable of producing less electricity than competing generation properties are capable of producing using other conventional energy sources, that use of such green energy production facility should be encouraged to conserve our limited natural resources, and immediate economic value for all purposes under this chapter should not initially exceed one third (1/3) of its total installed costs. The general assembly further finds that, unless the findings are considered in the determination of the sound, intrinsic, and immediate economic value of such property for all purposes under this chapter, investment in property to generate electricity generated from geothermal, hydrogen or solar sources will be unreasonably discouraged, denying the citizens of this state the environmental benefits associated with the greater use of these energy sources, as a renewable energy source, for electric power generation. The assessor of property, in assessing any such commercial and industrial property, or the comptroller, in assessing any such public utility property, that generates electricity using a certified green energy production facility, shall take these findings by the general assembly into account in determining the

sound, intrinsic, and immediate economic value of such property, when the property is initially appraised and each time the property is reappraised. A copy of the facility certification issued by the department of environment and conservation shall be required in order to qualify for such valuation.

SECTION 2. Tennessee Code Annotated, Section 67-5-604, is amended by deleting subsection (d) in its entirety.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it, and shall apply retroactively for tax year 2012.