

Amendment No. 1 to HB0062

Sargent
Signature of Sponsor

AMEND Senate Bill No. 1000

House Bill No. 62*

by deleting Section 1 as amended and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-5-601, amended by deleting subsection (e) and substituting instead the following:

(e)

(1) The general assembly finds that any property that generates electricity using 'green' sources such as geothermal, hydrogen, solar or wind, is generally capable of producing less electricity than conventional sources due to uncertain or intermittent energy sources or other factors, that net operating income will be affected by unusual cost and market conditions, and that the commercially competitive disadvantage of these 'green' energy source properties evidences that their sound, intrinsic and immediate value is significantly less than their total installed costs. The general assembly further finds that unless these circumstances are considered in the determination of value for tax purposes under this chapter, investment in property to generate electricity from 'green' sources will be unreasonably discouraged, denying the citizens of Tennessee the environmental benefits associated with the greater use of these domestic renewable energy sources for power generation.

(2) Based on the foregoing findings, the sound, intrinsic and immediate value of 'green' energy source property should not initially exceed a percentage of total installed costs equal to the ratio of projected electricity output over a period of one (1) year to the maximum capacity of the property, as follows:

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(i) The sound, intrinsic and immediate value of wind source property should not initially exceed one-third (1/3) of total installed costs;

(ii) The sound, intrinsic and immediate value of solar source property should not initially exceed twelve and one-half percent (12.5%) of total installed costs; and

(iii) The sound, intrinsic and immediate value of other 'green' source property should not initially exceed its appropriate capacity factor as determined by the state board of equalization in consultation with the department of environment and conservation.

(3) The assessor of property, or the comptroller of the treasury, in the case of public utility property, shall take the foregoing findings into account in determining the sound, intrinsic and immediate value of 'green' source property when the property is initially appraised and each time the property is reappraised. A copy of the green energy production facility certification issued by the department of environment and conservation, or filing of a schedule or statement pursuant to § 67-5-1303, effective as of January 1 of the year for which valuation under this subsection is claimed, shall be required and shall be provided by the property owner to the comptroller's office by March 1 of the first year for which valuation under this subsection is claimed. The department of environment and conservation shall report each month to the comptroller a listing of certifications approved in the preceding month, and shall provide copies of certification records

to the comptroller on request. On or before the scheduled reappraisal in each county, the comptroller shall advise the assessor of known locations of certified or other 'green' energy property and whether the property is assessable locally or centrally.