



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

FACT SHEET FOR S.B. 1066

solar royalties fund; county residents

Purpose

Requires the county board of supervisors (county BOS) in each county to establish a county resident solar royalties fund (fund) funded by each owner of a solar panel in the county whose solar panel fits prescribed criteria. Requires the applicable owner or operator of a solar panel to pay the relevant county 12.5 percent of every \$1 received in revenues from the sale of kilowatt-hours from the solar panel.

Background

Municipalities and counties must adopt standards for issuing permits for the use of certain solar energy devices. For the construction of solar photovoltaic systems that are intended to connect to a utility system the applicant must: 1) indicate the location of the photovoltaic system installation on the construction plans, including the roof plan and elevation; 2) include the photovoltaic panel mounting details in the installation plans; and 3) include one-line and three-line electrical diagrams (A.R.S. §§ [9-468](#) and [11-323](#)).

The powers of a county in Arizona must be exercised only by the county BOS or by agents and officers acting under the county's authority and authority of law. The county BOS must: 1) examine and exhibit the accounts and performance of all officers having the care, management, collection or disbursement of monies belonging to the county or appropriated by law or otherwise for the use and benefit of the county; 2) levy taxes as required by law; and 3) perform all things necessary to the full discharge of the county BOS's duties as the legislative authority of the county government, including receive and accept payment of monies (A.R.S. §§ [11-201](#) and [11-251](#)).

There is no anticipated fiscal impact to the state General fund associated with this legislation.

Provisions

1. Requires the county BOS in each county to establish a fund to be administered by the county treasurer.
2. Requires each fund to be funded by each owner or operator of a solar panel in the county whose solar panel is:
 - a) located in the relevant county; and
 - b) not either of the following:
 - i. owned by a public service corporation that is regulated by the Arizona Corporation Commission (ACC) or by a public power entity that has service territory located in Arizona; or
 - ii. subject wholly to an exclusive power purchase agreement with either a public service corporation regulated by the ACC or a public power entity that has service territory located in Arizona.

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3. Requires the owner or operator of a solar panel that meets the prescribed requirements to pay the county in which the solar panel is located 12.5 percent of every \$1 that the owner or operator receives in revenues from the sale of kilowatt-hours from the solar panel.
4. Requires the county to deposit the collected monies into the fund.
5. Requires the county treasurer, on the first of each month, to determine the total amount of monies in the fund and the total number of qualified individuals who live in the county.
6. Requires the county treasurer to use up to 10 percent of the monies in the fund for outlined administrative costs.
7. Requires the county treasurer, after administrative costs of the fund are paid, to pay, by check, each qualified resident of the county an equal distribution of the total amount of monies available in the fund.
8. Exempts solar panels from outlined regulations if the solar panel:
 - a) produces power for only on-site use by a commercial or industrial user;
 - b) does not export power to the grid; or
 - c) is a rooftop solar system, regardless of whether the system exports power to the grid.
9. Becomes effective on the general effective date.

Prepared by Senate Research

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RA/SDR/slp