

HCS HB 1836 -- SOLAR PROPERTY ASSESSMENT

SPONSOR: McMullen

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Property Tax Reform by a vote of 17 to 2.

The following is a summary of the House Committee Substitute for HB 1836.

Beginning January 1, 2025, the tax liability owed for solar energy property that was built or was contracted to sell power on or after August 9, 2022, but on or before December 31, 2024, must not exceed \$1,000 per megawatt.

For all solar energy property that was built or was contracted to sell power on or after January 1, 2025, the liability must not exceed \$2,000 per megawatt.

All solar property, including panels, racking systems, inverters and other related solar equipment, that was constructed and producing solar energy prior to August 9, 2022, constitutes its own separate subclass of tangible personal property and will be assessed and valued for the purposes of taxation at 3%.

This bill is similar to HB 1246 and SB 607 (2023).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that most solar projects operate at slight profit margins, and that as a result, many of those projects will fail. The solar project industry has no issue with paying tax on their products, but the rate of taxation should be fair, so as not to drive them out of business. Currently, there is no uniform standard of taxation on solar projects, which means that each county gets to set their own individual rate and manner. Supporters also say that municipalities across the State need renewable energy, and if there are not any solar projects nearby, then those municipalities have no choice but to purchase such energy from companies located much further away, which is more expensive, and reduces the overall efficiency of the energy that reaches those local municipalities.

Testifying in person for the bill were Representative McMullen; Renew Missouri Advocates; Clean Grid Alliance; Strata Clean Energy; Jonathan Dolan, Missouri Solar Energy Industries Association; Arevon; and Renew Missouri Advocates.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.