



General Assembly

Amendment

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LCO No. 4954



Offered by:

REP. HORN, 64th Dist.
REP. WINTER, 94th Dist.
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To: House Bill No. 5442

File No. 666

Cal. No. 441

**"AN ACT CONCERNING THE PROPERTY TAX EXEMPTION FOR
AND TAX AGREEMENTS RELATED TO CERTAIN CLASS I
RENEWABLE ENERGY SOURCES."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subdivision (57) of section 12-81 of the 2026 supplement
4 to the general statutes is repealed and the following is substituted in lieu
5 thereof (*Effective from passage*):

6 (57) (A) (i) Any Class I renewable energy source, as defined in section
7 16-1, or hydropower facility described in subdivision (21) of subsection
8 (a) of section 16-1, installed for the generation of electricity where such
9 electricity is intended for private residential use or on a farm, as defined
10 in subsection (q) of section 1-1, provided (I) such installation occurs on
11 or after October 1, 2007, (II) the estimated annual production of such
12 source or facility does not exceed the estimated annual load for the

13 location where such source or facility is located, where such load and
14 production are estimated as of the date of installation of the source or
15 facility as indicated in the written application filed pursuant to
16 subparagraph [(G)] (F) of this subdivision, and (III) such installation is
17 for a single family dwelling, a multifamily dwelling consisting of two to
18 four units or a farm; (ii) any passive or active solar water or space
19 heating system; or (iii) any geothermal energy resource. In the case of
20 clause (i) of this subparagraph, the utilization of or participation in any
21 net metering or tariff policy or program implemented by the state or
22 ownership of such source or facility by a party other than the owner of
23 the real property upon which such source or facility is installed shall not
24 disqualify such source or facility from exemption pursuant to this
25 section. In the case of clause (ii) or (iii) of this subparagraph, such
26 exemption shall apply only to the amount by which the assessed
27 valuation of the real property equipped with such system or resource
28 exceeds the assessed valuation of such real property equipped with the
29 conventional portion of the system or resource;

30 (B) For assessment years commencing on and after October 1, 2013,
31 any Class I renewable energy source, as defined in section 16-1,
32 hydropower facility described in subdivision (21) of subsection (a) of
33 section 16-1, or solar thermal or geothermal renewable energy source,
34 installed for generation or displacement of energy, provided (i) such
35 installation occurs on or after January 1, 2010, (ii) such installation is for
36 commercial or industrial purposes, (iii) the nameplate capacity of such
37 source or facility does not exceed the load for the location where such
38 generation or displacement is located, and (iv) such source or facility is
39 located in a distressed municipality, as defined in section 32-9p, with a
40 population between one hundred twenty-five thousand and one
41 hundred thirty-five thousand;

42 (C) For assessment years commencing on and after October 1, 2013,
43 any municipality may, upon approval by its legislative body or in any
44 town in which the legislative body is a town meeting, by the board of
45 selectmen, abate up to one hundred per cent of property tax for any

46 Class I renewable energy source, as defined in section 16-1, hydropower
47 facility described in subdivision (21) of subsection (a) of section 16-1, or
48 solar thermal or geothermal renewable energy source, installed for
49 generation or displacement of energy, provided (i) such installation
50 occurs between January 1, 2010, and December 31, 2013, (ii) such
51 installation is for commercial or industrial purposes, (iii) the nameplate
52 capacity of such source or facility does not exceed the load for the
53 location where such generation or displacement is located, and (iv) such
54 source or facility is not located in a municipality described in
55 subparagraph (B) of this subdivision;

56 (D) [Subject to the provisions of subparagraph (E) of this subdivision,
57 for] For assessment years commencing on and after October 1, 2014, any
58 (i) Class I renewable energy source, as defined in section 16-1, other than
59 a nuclear power generating facility, (ii) hydropower facility described
60 in subdivision (21) of subsection (a) of section 16-1, or (iii) solar thermal
61 or geothermal renewable energy source, installed for generation or
62 displacement of energy, provided (I) such installation occurs on or after
63 January 1, 2014, (II) is for commercial or industrial purposes, (III) the
64 nameplate capacity of such source or facility does not exceed the load
65 for the location where such generation or displacement is located or the
66 aggregated load of the beneficial accounts for any Class I renewable
67 energy source participating in virtual net metering pursuant to section
68 16-244u, and (IV) in the case of clause (iii) of this subparagraph, such
69 exemption shall apply only to the amount by which the assessed
70 valuation of the real property equipped with such source exceeds the
71 assessed valuation of such real property equipped with the
72 conventional portion of the source;

73 [(E) For assessment years commencing on and after October 1, 2025,
74 the exemption provided for under subparagraph (D)(i) of this
75 subdivision shall apply only to equipment and devices that have the
76 primary purpose of generating electricity and shall not apply to any real
77 property on which such equipment and devices are located or installed;]

78 [(F)] (E) For assessment years commencing on and after October 1,

79 2025, any Class I renewable energy source consisting of equipment and
80 devices that have the primary purpose of collecting solar energy and
81 generating electricity by photovoltaic effect, for which the owner of such
82 equipment and devices receives, on or after July 1, 2025, permission to
83 operate from an electric distribution company, as defined in section 16-
84 1, or a municipal utility furnishing electricity. The exemption under this
85 subparagraph shall apply only to equipment and devices that have the
86 primary purpose of generating electricity and shall not apply to any real
87 property on which such equipment and devices are located or installed;

88 [(G)] (F) Any person claiming an exemption provided in this
89 subdivision for any assessment year shall, on or before the first day of
90 November in such assessment year, file with the assessor or board of
91 assessors in the town in which such hydropower facility, Class I
92 renewable energy source, solar thermal or geothermal renewable
93 energy source or passive or active solar water or space heating system
94 or geothermal energy resource is located, a written application claiming
95 such exemption. Such application shall be made on a form prepared for
96 such purpose by the Secretary of the Office of Policy and Management,
97 in consultation with the Connecticut Association of Assessing Officers
98 and the Connecticut Green Bank established pursuant to section 16-
99 245n, and shall include, but not be limited to, a statement of the
100 estimated annual load and production of a source or facility described
101 in clause (i) of subparagraph (A) of this subdivision as of the date of the
102 installation of such source or facility. Said secretary shall make such
103 application available to the public on the Internet web site of the Office
104 of Policy and Management. Failure to file such application in the
105 manner and form as provided by the secretary within the time limit
106 prescribed shall constitute a waiver of the right to such exemption for
107 such assessment year. Such application shall not be required for any
108 assessment year following that for which the initial application is filed,
109 provided if such hydropower facility, Class I renewable energy source,
110 solar thermal or geothermal renewable energy source or passive or
111 active solar water or space heating system or geothermal energy
112 resource is altered in a manner that would require a building permit,

113 such alteration shall be deemed a waiver of the right to such exemption
114 until a new application, applicable with respect to such altered source,
115 is filed and the right to such exemption is established as required
116 initially. If a person owns more than one such source or facility in a
117 municipality, such person may file a single application identifying each
118 source or facility;

119 [(H)] (G) For assessment years commencing on and after October 1,
120 2015, any municipality may, by vote of its legislative body or, in a
121 municipality where the legislative body is a town meeting, by vote of
122 the board of selectmen, abate up to one hundred per cent of the property
123 taxes due for any tax year, for not longer than the term of the power
124 purchase agreement, with respect to any Class I renewable energy
125 source, as defined in section 16-1, that is the subject of such power
126 purchase agreement approved by the Public Utilities Regulatory
127 Authority pursuant to section 16a-3f;

128 Sec. 2. (*Effective from passage*) If the grand list for a municipality for
129 the assessment year commencing October 1, 2025, has been published
130 and lodged for inspection on or before the effective date of this section,
131 the assessor or board of assessors for such municipality shall issue a
132 certificate of correction for said grand list to implement the changes
133 made to subparagraph (E) of subdivision (57) of section 12-81 of the
134 general statutes pursuant to section 1 of this act.

135 Sec. 3. Section 12-121dd of the 2026 supplement to the general statutes
136 is repealed and the following is substituted in lieu thereof (*Effective July*
137 *1, 2026*):

138 (a) As used in this section:

139 (1) "Solar photovoltaic system" means equipment and devices (A)
140 that have the primary purpose of collecting solar energy and generating
141 electricity by photovoltaic effect, (B) that have a nameplate capacity
142 greater than one megawatt of electricity and such nameplate capacity
143 exceeds the load for the location where such generation is located, and

144 (C) for which the owner of such equipment and devices receives, on or
145 after July 1, [2026] 2025, permission to operate from an electric
146 distribution company, as defined in section 16-1, or a municipal utility
147 furnishing electricity;

148 (2) "Municipality" means any town, city, consolidated town and city
149 or consolidated town and borough; and

150 (3) "Uniform solar capacity tax year" means the annual accounting
151 period used to calculate the tax under this section, consisting of a
152 twelve-month period commencing on July first and ending on the
153 following June thirtieth.

154 (b) (1) Except as provided in subdivision (3) of this subsection and
155 subsection (h) of this section, for uniform solar capacity tax years
156 commencing on and after July 1, 2026, each person that owns a solar
157 photovoltaic system in the state for generation or displacement of
158 energy shall pay an annual tax for a period of either (i) for a solar
159 photovoltaic system that receives permission to operate from an electric
160 distribution company, as defined in section 16-1, or a municipal utility
161 furnishing electricity on or after July 1, 2025, but before July 1, 2026,
162 nineteen solar capacity tax years, or (ii) for a solar photovoltaic system
163 that receives such permission to operate on or after July 1, 2026, twenty
164 solar capacity tax years to the department of finance of each
165 municipality in which the system or any part thereof is located, or, if the
166 municipality does not have a department of finance, to the tax collector
167 for such municipality. For any such solar photovoltaic system [that
168 receives permission to operate in the uniform solar capacity tax year
169 commencing on and after July 1, 2026,] the tax shall be, for the duration
170 of the [twenty-year] period such tax is imposed, the product of ten
171 thousand dollars multiplied by the number of megawatts, and any
172 fractional portion thereof, of nameplate capacity for each such system.
173 If a solar photovoltaic system has multiple owners, each owner shall be
174 jointly and severally liable for the tax owed pursuant to this section.

175 (2) [Each] On and after July 1, 2026, each person that owns a solar

176 photovoltaic system in the state that receives [, on or after July 1, 2026,]
177 permission to operate from an electric distribution company or a
178 municipal utility furnishing electricity shall notify, not later than seven
179 days after the date of such receipt, the department of finance of each
180 municipality in which the system or any part thereof is located or, if the
181 municipality does not have a department of finance, the tax collector for
182 such municipality, of the effective date of such permission to operate,
183 provided, for any solar photovoltaic system that receives such
184 permission to operate on or after July 1, 2025, but before July 1, 2026,
185 shall provide such notification not later than July 10, 2026.

186 (3) The tax imposed under this section shall not apply to solar
187 photovoltaic systems in the state that (A) are located on (i) state-owned
188 land, (ii) brownfields, as defined in section 32-760, (iii) landfills, (iv)
189 residential, commercial or industrial rooftops, or (v) solar canopies, as
190 defined in section 8-2q, or (B) are part of a microgrid serving a critical
191 facility, as those terms are defined in section 16-243y.

192 (c) The Office of Policy and Management shall develop a form to be
193 submitted with the tax due under this section. Not later than July 31,
194 2026, the department of finance in each municipality, or, for any
195 municipality that does not have a department of finance, the tax
196 collector of such municipality, shall furnish such form upon request.
197 The tax imposed under this section shall be due and payable on the due
198 date or due dates of such return, as determined by the department of
199 finance or tax collector, as applicable. The department of finance or tax
200 collector, as applicable, may require a single annual payment of the tax
201 imposed under this section or may require semiannual or quarterly
202 installments of such payment. Such tax shall be due and collectible as
203 other property taxes and subject to the same liens and processes of
204 collection.

205 (d) The revenues generated by the tax imposed under this section
206 shall become part of the general revenue of the municipality in which
207 the tax is paid.

208 (e) If a solar photovoltaic system is located in more than one
209 municipality, the tax shall be allocated between or among the
210 municipalities in proportion to the nameplate capacity of the solar
211 photovoltaic system located in each municipality.

212 (f) Whenever the tax imposed under this section is not paid when due
213 to the department of finance or tax collector, as applicable, in a
214 municipality, interest at the rate of one and one-half per cent per month
215 or fraction thereof shall accrue on such tax from the due date of such tax
216 until the date of payment.

217 (g) Any person claiming to be aggrieved by the action of a
218 department of finance or tax collector under this section may appeal the
219 tax to the superior court for the judicial district in which the
220 municipality is located. Any person appealing the tax that pays a
221 portion of such tax during the pendency of such appeal and indicates
222 that such portion is paid "under protest" shall not be liable for any
223 interest on the tax, provided such person pays not less than seventy-five
224 per cent of the amount of the tax assessed by the municipality during
225 the time limits prescribed by the department of finance or tax collector,
226 as applicable, in such municipality in accordance with this section.

227 (h) (1) (A) Any municipality acting through its board of selectmen,
228 town council, court of common council or other legislative body shall
229 have the power to enter into an agreement to freeze or stabilize the tax
230 imposed under this section for any owner of a solar photovoltaic system
231 located in such municipality, as provided in this subsection.

232 (B) The terms of such agreement shall apply in lieu of the tax imposed
233 under this section, including any agreement pertaining to the tax
234 imposed under chapter 203 entered into prior to July 1, 2025, but for
235 which such owner receives permission to operate, as described under
236 subdivision (1) of subsection (a) of this section, on or after July 1, 2025.

237 (2) With respect to any photovoltaic system located in more than one
238 municipality, such agreement shall only pertain to the tax that is

239 allocated, in accordance with the provisions of subsection (e) of this
240 section, to the municipality that enters into such agreement.

241 (i) For purposes of calculating the nameplate capacity of a solar
242 photovoltaic system, the following shall be deemed to be part of the
243 same solar photovoltaic system: (1) All equipment and devices that have
244 the primary purpose of collecting solar energy and generating electricity
245 by photovoltaic effect that are located on the same parcel; (2) all
246 equipment and devices that have the primary purpose of collecting solar
247 energy and generating electricity by photovoltaic effect that are located
248 on land that the current owner of any part of such land subdivided into
249 multiple parcels but was part of the same parcel prior to such
250 subdivision; and (3) all equipment and devices that have the primary
251 purpose of collecting solar energy and generating electricity by
252 photovoltaic effect that are located on adjoining parcels. Nothing in this
253 subsection shall be construed to limit tax liability or the definitions in
254 subsection (a) of this section."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-81(57)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2026</i>	12-121dd