



# CITY OF CONCORD

*New Hampshire's Main Street™*

## REPORT TO MAYOR AND THE CITY COUNCIL

**FROM: Jonathan Rice, Director of Real Estate Assessments**

**DATE: February 22, 2023**

**SUBJECT: Report from the Tax Exemption Policy Committee on 5-year impact of solar energy exemption**

### **Recommendation**

Accept this report of the five-year impact of the solar energy system exemption from the Tax Exemption Policy Committee

### **Background**

On June 26, 2017, the City Council passed resolution adopting the solar energy systems as defined in RSA 72:6. The solar energy exemption is for properties with a solar energy system which utilizes solar energy to heat or cool the interior of a building or to heat water for use in a building and which includes one or more collectors and a storage container. Solar energy system also means a system which provides electricity for a building by the use of photovoltaic panels. The solar energy systems exemption is available to residential, commercial, and industrial properties. The exemption does not apply to those properties that generate electricity for resale. The solar systems exemption is in the amount equal to 100% of the actual assessed value of the qualifying system. Per the resolution, the Tax Exemption Policy Committee annually reviews the solar energy exemption and a written report was required within 5 years outlining the impact of the exemption. The resolution took effect as of April 1, 2018.

The report outlining the impact of the exemption is detailed below:

In 2018, the City of Concord Assessing office sent out letters to property owners assessed for solar energy systems notifying them of the new exemption, the application, and the process to apply for the exemption. The Assessing office reaches out to both owners of properties with the solar energy exemption in order to re-qualify them and owners of new systems.

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Per Code Department, there have been 244 permits for Solar Systems in Concord between 2011 and 2021 with the yearly breakdown as follows:

2011 – 0	2013 – 0	2015 – 48	2017 – 31	2019 – 21	2021 – 43
2012 – 0	2014 – 12	2016 – 54	2018 – 19	2020 – 16	

As of April 1, 2022, 202 Properties have been granted the Solar Energy Systems Exemption. The current percentage of exempted valuation to net valuation is .014%.

Over the past 5-years, the City portion of the solar exemption resulted in the redistribution of \$26,823.65 in City revenue through the tax rate. Without the Solar Exemption in place, the only potential impact on the City Tax Rate would have been a \$.01 increase for 2018.

The Committee believes that it is important to incentivize property owners to install solar energy systems and that the program is a positive one for the City and the City property owners.

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