

# DRAFT

## Tax Exemption Policy Committee

Minutes of June 1, 2017

Attendees: Councilor Keith Nyhan, Chairperson; Councilors Gail Matson, Robert Werner and Candace CW Bouchard

City Staff: Kathryn Temchack, Director of Real Estate Assessments, Susan Golden, Deputy Assessor, Carlos Baia, Deputy City Manager-Development

Public: John Lentine, Boyce Highlands

The meeting was opened at 12:03 pm by Chairperson Nyhan.

The minutes of the December 21, 2016 meeting were approved on a motion by Councilor Matson seconded by Councilor Werner; assented.

Chairperson Nyhan stated that the purpose of the meeting was to address the referral from the City Council to consider a May 1, 2017 letter from John Lentine of Boyce Highlands, Inc. asking that the City adopt the solar exemption. Chairperson Nyhan stated he has come to believe that the exemption should be considered from an economic development point of view. His understanding is that solar fields generating electricity for resale would not be eligible for the exemption. He asked that Director Temchack go over the laws and statutes on solar exemptions.

Director Temchack stated that the solar exemption if adopted would be applicable to both residential and commercial/industrial properties; not one or the other. It is for those properties with solar panels that are used to generate electricity for the property; used to heat, cool, heat water, or provides electrical power to the property. The exemption does not apply to those properties that generate electricity for resale. Councilor Werner asked if properties with "net metering" would be eligible for the exemption. Temchack indicated that those properties would be eligible since their primary purpose is to utilize the electricity generated and only that electricity that is not used by the property goes back for resale.

Temchack explained that presently there is about \$616,900 in value for solar panels generating roughly \$5,971 utilizing the municipal portion of the tax rate.

Deputy City Manager Baia explained that the City encourages property owners to invest in their properties and he believes that adoption of the solar exemption could be a potential incentive to bring in business to the City of Concord. He indicated that the committee might want to consider a sunset provision of say 10 years with a periodic report on any impact the exemption had on development and the number of new solar permits. Temchack thought that a five year report to the full City Council might be appropriate to allow them to see what impact the adoption of the exemption might be having. She also indicated that if a solar array was ground mounted the land would still be taxable; that only the solar array and equipment would be exempt.

Councilor Werner stated that if a 10-12 mega-watt system, such as proposed on W. Portsmouth Street, is built it would be taxable. Temchack added that under state law by adopting the solar exemption property owners wishing to receive the exemption would be required to apply and qualify for the exemption.

Mr. Lentine indicated that he felt adoption of the solar exemption would help with economic development. Baia added that Suzie Pegg, new economic development director, would be able to add that information to her materials for the City's marketing plan.

Councilor Bouchard motioned: Move to change City policy to adopt the solar exemption for solar panel systems for commercial and residential that are only providing energy to the actual property (not to the grid). Said policy shall include a 10 year sunset provision, shall be reviewed annually by the tax exemption committee, and a written report shall be provided to the City Council at 5 years outlining the impact of the exemption; said policy change shall not exempt any land from taxation. Councilor Matson seconded. Motion approved unanimously.

Chairperson Nyhan asked that the matter be on the June 12 council agenda for referral for public hearing at the next meeting of the full council. Temchack indicated that the Assessing Department would work to accommodate that request.

The meeting was adjourned at 12:45 pm on a motion by Councilor Bouchard and seconded by Councilor Matson; assent.