



CITY OF CONCORD

New Hampshire's Main Street™

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Kathryn H. Temchack, Director of Real Estate Assessments
DATE: June 6, 2017
SUBJECT: Report of the Tax Exemption Policy Committee
Adoption of the Solar Energy Systems Exemption

Recommendation

Accept this report adopting the Tax Exemption Policy Committee's recommendation that the City of Concord adopt the Solar Energy Systems Exemption.

Background

The Tax Exemption Policy Committee met on June 1, 2017, to address the referral from the City Council to consider a May 1, 2017 letter from a Mr. John Lentine of Boyce Highlands, Inc. proposing that the City adopt the solar energy systems exemption.

The 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 buildings, and which includes one or more collectors and a storage container. Solar energy system also means a system which provides electricity for a building using 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. Property owners wishing to receive the exemption would be required to apply and qualify for the exemption under state laws.

The Tax Exemption Policy Committee discussed how adopting the solar exemption could be a potential incentive to stimulate and encourage economic growth in the City of Concord. The committee unanimously recommends that the City adopt the solar energy systems exemption for those systems that are only providing energy to the actual property as described in RSA 71:61. The solar energy systems exemption shall be in the amount equal to 100% of the actual assessed value of the qualifying system. The solar energy system exemption will sunset after 10(ten) years. The Tax Exemption Policy Committee will annually review the impacts of the exemption with a written report provided to the City Council at 5 years outlining the impact of the exemption. Adoption of the solar energy systems

exemption shall not exempt any land from taxation. Presently, there is \$616,900 in assessed value that will be eligible for the exemption as of April 1, 2018. Based upon the 2016 Concord full tax rate the \$17,070 in property taxes will be absorbed by all other property owners.