



STATE BOARD OF EQUALIZATION

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No. 81/71

June 19, 1981

TO COUNTY ASSESSORS:

SOLAR ENERGY EXEMPTION AND WINDMILLS

There is some confusion concerning the inclusion of "windmills" as property that is exempted from taxation if newly constructed after January 1, 1981 under Section 73 of the Revenue and Taxation Code.

Section 73 was enacted in 1980 and became effective January 1, 1981 to implement Senate Constitutional Amendment 28 (Proposition 7) as approved by the voters on the November 1980 ballot. It provides for tax exemption of newly constructed property when the property is an active solar energy system as defined in subparagraph A of paragraph 6 of subdivision h of Section 17052.5 of the Revenue and Taxation Code. (Note that Section 73 states subdivision h but must mean i of Section 17052.5.) Section 17052.5(i) enumerates "wind energy for the production of electricity or mechanical work" as a solar energy system.

On January 29, 1981 Assembly Bill 375 was introduced. This legislation redefines "active solar energy system" and omits the reference to "wind energy for the production of electricity or mechanical work." We have contacted the authors office regarding the exclusion of windmills. We are advised that the intent of Assembly Bill 375 is to clarify the definition of "active solar energy" and to eliminate from that definition the reference to wind energy.

The authors staff reported that this legislation is before the Senate and that they expect it to become law. It is an emergency measure and will be effective for the 1981-82 roll.

We hope that this information is helpful to you. Please refer any additional questions to Bill McKay of this division at (916) 445-4982.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

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