

Name: _____

ACTIVE SOLAR ENERGY SYSTEM NEW CONSTRUCTION EXCLUSION SELF-STUDY

Review Questions

1. Solar swimming pool heaters, passive energy systems, hot tub heaters and wind energy systems are included in the definition of an active solar energy system.
 True
 False

2. Uses of active solar energy systems include domestic, recreational, therapeutic or service water heating.
 True
 False

3. Active solar energy systems in the production of electricity include which of the following (mark all that apply)?
 Storage devices
 Power conditioning equipment
 Non-solar powered furnaces
 Transfer equipment
 Non-solar powered hot water heater
 Spare parts
 All of the above

4. A typical active solar energy system is considered a fixture if it meets the three tests of Property Tax Rule 122.5.
 True
 False

5. An assessor must determine the added value for completed newly constructed property as of the January 1 lien date.
 True
 False

6. Assessment of newly constructed property can only be excluded if the exclusion is authorized by a constitutional amendment.
 True
 False

7. An active solar energy system was first excluded from the definition of new construction by Proposition 8 in 1980.
- True
 False
8. Section 73 exempts active solar energy systems from assessment.
- True
 False
9. Utility-scale systems that are locally assessed are subject to the new construction exclusion.
- True
 False
10. Section 73, amended by Chapter 538 of the Statutes of 2008, provides that the active solar energy system exclusion is available to the _____ of a new building in which such a system was incorporated, if the _____ had not received the exclusion, and if the building had not become subject to _____ to the owner-builder as described in subdivision (d) of section 75.12.
11. The new construction exclusion claim form must be filed with the assessor at the time the active solar energy system is installed.
- True
 False
12. If construction in progress on the lien date involves an active solar energy system, the construction in progress would also qualify for the new construction exclusion.
- True
 False
13. Section _____ provides that property is not considered occupied if the occupancy or use is in conjunction with an offer for a change in ownership, such as use of the property as a model home.
14. Senate Bill ABx1 15 became effective:
- July 1, 2011
 January 1, 2012
 June 28, 2011
 July 1, 2012
15. A _____ involves the sale of a property in which the seller then leases the property from the buyer.

16. In a sale-leaseback transaction, the owner-builder has 120 days from the time a solar energy system is placed in service to enter the transaction.

- True
- False

17. In a partnership flip transaction, if any party subsequently obtains more than a _____ percent interest in the capital and profits, a _____ will occur and the new construction exclusion is extinguished.

18. Electrical generation facilities are state-assessed if the generating capacity is 50 Megawatts or more or if owned by an electrical corporation.

- True
- False

19. Equipment up to and including the final step-up transformer within the on-site substation would be considered part of the active solar energy system.

- True
- False

20. Section _____ of the Public Utilities Code clarifies why a solar electric generating facility is subject to local assessment.

21. Parking lot canopies built for the purpose of providing a mounting surface for solar energy devices, while incidentally providing shade for vehicles, qualify for the new construction exclusion.

- True
- False

22. Only solar energy systems leased in excess of 35 years are eligible for the provisions of section 73.

- True
- False

23. State-assessed property is subject to the provisions of Article XIII A of the California Constitution.

- True
- False

24. For active solar energy systems that are leased to a residential property owner for a term of less than 35 years, ownership of the system remains with the leasing company for the duration of the lease. Therefore, the system is excluded from the definition of new construction at the time of installation, and continues to be excluded from assessment until a change in ownership of the system occurs.
- True
 False
25. An active solar energy system installed on the property of a local government agency is excluded from the definition of new construction, but a _____ is created when the lease is executed.
26. When a change in control of the legal entity occurs, all real property owned by the entity will be reassessed.
- True
 False
27. Generally, a transfer of any interest in real property from an individual to a legal entity, from a legal entity to an individual, or between legal entities is not considered a change in ownership.
- True
 False
28. Fixtures are not a separate appraisal unit when measuring declines in value.
- True
 False
29. The typical appraisal unit for decline in value purposes would include the active solar energy system for:
- A. Yes, for single family residences
 B. No, for industrial, commercial or utility-scale systems
 C. Neither A nor B
 D. Both A and B
30. Pipes and ducts that are used to carry both energy derived from solar energy and energy derived from other sources are considered active solar energy system property only to the extent of:
- 25% of full cash value
 50% of full cash value
 75% of full cash value
 100% of full cash value

31. Typically, construction of a new residence with an active solar energy system includes the use of solar panels rather than solar tiles.

- True
- False

32. Passive thermal systems are not excluded from the definition of new construction by section 73.

- True
- False

33. The sunset date for section 73 is January 1, 2027.

- True
- False

34. The new construction exclusion is only applicable to residential buildings.

- True
- False

35. The new construction exclusion is only applicable to properties owned by California residents.

- True
- False

36. A home completed in December 2007, purchased in March 2008, contained an integrated active solar energy system. Can the initial purchaser qualify for the new construction exclusion?

- Yes
- No

37. An active solar energy system was recently added to a building constructed in 1995. Is the owner required to file a claim for new construction exclusion?

- Yes
- No

38. An active solar energy system may include

- Storage devices
- Transfer equipment
- Spare parts
- Solar swimming pool heaters
- Power conditioning equipment
- Hot tub heaters
- All of the above

39. The extension of the new construction exclusion to the initial purchaser remains in effect until there is a subsequent change in ownership of the new building.

- True
- False

40. The provisions of section 73 will remain in effect until January 1, 2029.

- True
- False

41. New construction is always considered complete on the date the new construction is available for use.

- True
- False

42. If property is divided into 4 or more residential parcels, the owner is not required to notify the assessor of intent not to occupy or use the property.

- True
- False

43. The term "occupy or use" means the occupancy or use by the owner, including rental or lease of the property, unless the occupancy or use is incidental to an offer for a change in ownership.

- True
- False

44. The owner of a property who notifies the assessor that he or she does not intend to occupy or use a property must notify the assessor within 90 days of the date the property changes ownership pursuant to an unrecorded contract of sale.

- True
- False

45. Occupancy or use includes the use of the property as a model home.

- True
- False