

HOUSE RESEARCH

Bill Summary

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Subject: Property valuation and classification of wind energy conversion land

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Overview

Provides for the valuation and classification of the land that is located under the wind energy conversion systems (i.e., towers). Effective for the 2004 assessment, taxes payable in 2005, and thereafter.

Section

- 1** **Wind energy conversion systems.** Provides that the value of the land on which the wind energy system (i.e., tower) is located, shall be valued in the same manner as similar land that has not been improved with a wind energy conversion system. Further provides that the land shall be classified based on the most probable use of the property if it were not improved with a wind energy conversion system.

Beginning in 2004 a production tax is imposed on wind energy conversion systems in lieu of property tax; except that the land under the towers was not exempted and remains subject to property tax. This bill addresses the valuation and classification of the land by providing that it is valued and classified in the same manner as the land surrounding it.

For example, many of these towers are located in rural areas and have agricultural property surrounding them. Hence, the assessor will value and classify the "acre or so" of land under these towers as agricultural.

Effective for the 2004 assessment, taxes payable in 2005 and thereafter.