

SB2365



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2365

Introduced 2/26/2021, by Sen. John Connor

SYNOPSIS AS INTRODUCED:

35 ILCS 200/10-5

Amends the Property Tax Code. Provides that photovoltaic electricity generation systems subject to power purchase agreements or leases for solar energy between a third-party owner, an operator, or both, and an end user of electricity are considered solar energy systems. Effective immediately.

LRB102 13193 HLH 18537 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Section 10-5 as follows:

6 (35 ILCS 200/10-5)

7 Sec. 10-5. Solar energy systems; definitions. It is the
8 policy of this State that the use of solar energy systems
9 should be encouraged because they conserve nonrenewable
10 resources, reduce pollution and promote the health and
11 well-being of the people of this State, and should be valued in
12 relation to these benefits.

13 (a) "Solar energy" means radiant energy received from the
14 sun at wave lengths suitable for heat transfer, photosynthetic
15 use, or photovoltaic use.

16 (b) "Solar collector" means

17 (1) An assembly, structure, or design, including
18 passive elements, used for gathering, concentrating, or
19 absorbing direct and indirect solar energy, specially
20 designed for holding a substantial amount of useful
21 thermal energy and to transfer that energy to a gas,
22 solid, or liquid or to use that energy directly; or

23 (2) A mechanism that absorbs solar energy and converts

1 it into electricity; or

2 (3) A mechanism or process used for gathering solar
3 energy through wind or thermal gradients; or

4 (4) A component used to transfer thermal energy to a
5 gas, solid, or liquid, or to convert it into electricity.

6 (c) "Solar storage mechanism" means equipment or elements
7 (such as piping and transfer mechanisms, containers, heat
8 exchangers, or controls thereof, and gases, solids, liquids,
9 or combinations thereof) that are utilized for storing solar
10 energy, gathered by a solar collector, for subsequent use.

11 (d) "Solar energy system" means

12 (1) (A) A complete assembly, structure, or design of
13 solar collector, or a solar storage mechanism, which uses
14 solar energy for generating electricity that is primarily
15 consumed on the property on which the solar energy system
16 resides, or for heating or cooling gases, solids, liquids,
17 or other materials for the primary benefit of the property
18 on which the solar energy system resides;

19 (B) The design, materials, or elements of a system and
20 its maintenance, operation, and labor components, and the
21 necessary components, if any, of supplemental conventional
22 energy systems designed or constructed to interface with a
23 solar energy system; ~~and~~

24 (C) Any legal, financial, or institutional orders,
25 certificates, or mechanisms, including easements, leases,
26 and agreements, required to ensure continued access to

1 solar energy, its source, or its use in a solar energy
2 system, and including monitoring and educational elements
3 of a demonstration project; or -

4 (D) Photovoltaic electricity generation systems
5 subject to power purchase agreements or leases for solar
6 energy between a third-party owner, an operator, or both,
7 and an end user of electricity, where such systems are
8 located on the end user of electricity's side of the
9 electric meter and which primarily are used to offset the
10 electricity load of the end user behind whose electric
11 meter the system is connected. A system primarily is used
12 to offset the electricity load of the end user of
13 electricity if the system is estimated to produce 110% or
14 fewer kilowatt-hours of electricity than consumed by the
15 end user of electricity at such meter in the last 12 full
16 months prior to the system being placed in service.

17 (2) "Solar energy system" does not include:

18 (A) Distribution equipment that is equally usable
19 in a conventional energy system except for those
20 components of the equipment that are necessary for
21 meeting the requirements of efficient solar energy
22 utilization;

23 (B) Components of a solar energy system that serve
24 structural, insulating, protective, shading,
25 aesthetic, or other non-solar energy utilization
26 purposes, as defined in the regulations of the

1 Department of Commerce and Economic Opportunity; or
2 ~~and~~

3 (C) A commercial solar energy system, as defined
4 by this Code, in counties with fewer than 3,000,000
5 inhabitants.

6 (3) The solar energy system shall conform to the
7 standards for those systems established by regulation of
8 the Department of Commerce and Economic Opportunity.

9 (Source: P.A. 100-781, eff. 8-10-18.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.