

SB 374 Proponent Testimony - in person
Eliminate property tax exemption for renewable energy projects
Senate Assessment and Taxation Committee
Dave Trabert - CEO
March 15, 2022



Madam Chair and Members of the Committee,

We appreciate this opportunity to testify in support of SB 374, which eliminates the 10-year property tax exemption on property used to produce renewable energy.

Government should not pick winners and losers with tax policy, which is the upshot of this exemption. The November 2021 Consensus Revenue Estimate says the oil and gas industry will pay \$43.8 million in severance tax this year. That will likely be revised upward, given that the rise in oil prices will spur more production.

Taxes on business are ultimately passed on and paid by consumers. So the state benefits from severance taxes that increase gasoline, heating oil, and natural gas prices while simultaneously subsidizing other forms of energy.

Eliminating the property tax exemption also creates opportunities for local government officials to reduce the property tax burden on homeowners and businesses. Taxing the assessed valuation of new investments in renewable energy projects beginning next year should lead to mill rate reductions, allowing current taxpayers to benefit from the broader tax base.

For these reasons, we encourage the Committee to recommend SB 374 for passage, and we thank you for your consideration.