



**Testimony
Betsy Gara
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Connecticut Council of Small Towns
Before the Energy & Technology Committee
February 27, 2024**

Thank you for the opportunity to speak on behalf of the Connecticut Council of Small Towns (COST) regarding **HB-5232 - AN ACT CONCERNING SOLAR PROJECTS THROUGHOUT THE STATE.**

Municipalities throughout Connecticut have embraced opportunities to incorporate solar PV systems into municipal building facilities as well as support efforts to promote the installation of solar PV systems in their communities to assist residents and businesses in reducing costs and improving energy efficiency.

COST appreciates the efforts of the Energy & Technology Committee to engage COST and other stakeholders in discussions regarding this proposal to ensure that legislation creating a uniform capacity tax on solar panels does not erode much-needed property tax revenues. This has been a longstanding issue, and we are hopeful it will be resolved this session.

HB-5232 establishes a uniform capacity tax on solar panels. Although we continue to have concerns that, as drafted, the UCT may negatively impact municipal property tax revenues, we believe that a UCT will provide greater certainty to both municipalities and solar developers regarding tax obligations.

COST is concerned that the proposed rate of \$8,000 per megawatt per year is not sufficient to offset lost property tax revenues. As First Selectman Bowsza points out in his testimony, a rate of not less than \$12,000 per megawatt per year is more consistent with the loss of personal property tax revenues.

In addition, given inflation and other factors affecting municipal revenues, the bill should include an escalator provision to ensure that the UCT rates reflect an annual percentage increase in property tax revenues.

In addition to the provisions of the bill, COST urges lawmakers to address additional issues relative to solar PV systems, including ensuring that municipalities have a greater voice in the siting of solar PV systems in their communities by requiring the CT Siting Council to consider a municipal CEO's testimony in making decisions and considering the impact of proposed solar projects near existing larger solar projects.



COST also supports efforts to promote canopy solar projects. We are continuing to reach out to members towns regarding the provisions requiring expedited permitting for solar canopies. Although well-intended, COST wants to ensure that these provisions do not impose a regulatory burden on our small towns.

Thank you for the opportunity to comment.

We look forward to continuing to participate in discussions on this bill.