

Caroline County Board of Supervisors Agenda Executive Summary

Meeting Date: August 9, 2022

Title: Public Hearing - Amendment to Chapter 103 of the Code of Caroline County, Virginia

(Check Mark)

Consent

Action

No Action (Information Only)

Resolution

Closed Meeting

Public Hearing

Ordinance

PowerPoint Presentation

Summary

§§58.1-2606.1 and 2636 of the Code of Virginia, authorize the County to assess a revenue sharing fee on solar photovoltaic (electric energy) systems of up to \$1,400 per megawatt. The code also authorizes a fee increase of up to 10 percent every five years. In adopting a revenue share ordinance, the traditional taxation method in the form of a Machinery and Tools Tax is eliminated in favor of revenue sharing, which arguably is a more stable source of revenue.

The public hearing before the Board is a draft ordinance to amend Chapter 103 (Taxation) of the Code of Caroline County to add provisions for Revenue Sharing for Solar Energy Projects, thereby replacing M&T on solar photovoltaic systems (solar energy projects).

Budget Impact: N/A

Action(s) Requested of the Board of Supervisors: Conduct the public hearing and take action, if appropriate.

Presenter: Michael A. Finchum, Director, Planning & Community Development

CAROLINE COUNTY BOARD OF SUPERVISORS

**AN ORDINANCE TO AMEND THE CAROLINE COUNTY CODE TO IMPLEMENT
“REVENUE SHARE FOR SOLAR ENERGY PROJECTS” PURSUANT TO VA. CODE §§
58.1-2606.1 and 58.1-2636, as amended**

WHEREAS, the Virginia General Assembly enacted Va. Code Ann. § 58.1-2636 titled “Revenue Share for Solar Energy Projects”, effective July 1, 2020;

WHEREAS, Va. Code § 58.1-2636 authorizes any locality to adopt an ordinance to assess an annual revenue share on any solar photovoltaic (electric energy) project, subject to certain exemptions; and

WHEREAS, the County now desires to amend the Caroline County Code of Ordinances to implement the provisions of Va. Code Ann. § 58.1-2636, as amended.

NOW THEREFORE BE IT ORDAINED by the Caroline County Board of Supervisors as follows:

1. Chapter 103 of the Code of the Caroline County, Virginia shall be, and hereby is, amended to add the following new Article:

“Revenue Share for Solar Energy Projects”

Sec. 103-____. Purpose, Definition, Relation to Other Ordinances.

- (a) The purpose of this article is to implement Va. Code § 58.1-2636 titled “Revenue Share for Solar Energy Projects” approved by the 2020 Regular Session of the Virginia General Assembly and signed into law by the Governor, effective July 1, 2020, as amended since.
- (b) Terms used in this article shall have the defined meanings found in Va. Code Ann. § 58.1-2636, § 58.1-3660, § 58.1-3507, or § 58.1-3508.6, as amended.
- (c) To the extent that the provisions of this article conflict with any other prior ordinance or provision of the Caroline County, Virginia Code, this article shall control.

Sec. 103-____. Applicability.

- (a) This Article shall apply to all solar photovoltaic (electric energy) generation facilities except as otherwise set forth herein and except those that are:
 - (i) Described in Va. Code Ann. § 56-594, § 56-594.01, or § 56-594.2 or Chapters 358 and 382 of the Acts of Assembly of 2013, as amended;
 - (ii) 20 megawatts or less, as measured in alternating current (AC) generation capacity, for which an initial interconnection request form has been filed with an electric utility or a regional transmission organization on or before December 31, 2018.
- (c) Pursuant to Va. Code § 58.1-2606.1(B), as amended, this Article shall apply to solar photovoltaic (electric energy) generation facilities of 5 megawatts or less.
- (c) This Article shall not apply to solar photovoltaic (electric energy) generation facilities for which an application has been filed with the County and such application has been approved by the County prior to January 1, 2021.
- (d) Nothing in this Section shall preclude an applicant or owner of a solar photovoltaic (electric energy) generation facilities previously approved or permitted by the County from entering into a written agreement to submit such project to be subject to the provisions of this Ordinance.

Sec 103-____. Revenue Share Rate Per Megawatt and Waiver of Machinery and Tool Tax.

- (a) The County hereby imposes a revenue share to be assessed annually on all solar photovoltaic (electric energy) generation facilities, at a rate of \$1,400 per megawatt, as measured in alternating

current (AC) generation capacity of the nameplate capacity of the facility based on submissions by the facility owner to the interconnecting utility. The annual assessment amount shall be increased on July 1, 2026, and every five years thereafter, by 10 percent.

- (c) The exemption for solar photovoltaic (electric energy) generation facilities as provided by Va. Code Ann. §§ 58.1-3660 and 58.1-2606.1, as amended, shall be one hundred percent (100%) of the assessed value.
- (d) Nothing contained herein shall be construed to prevent any other tax or fee as authorized or provided by the Code of Virginia.

2. This Ordinance shall become effective immediately upon adoption.

ADOPTED this ____ day of _____, 2022.

The undersigned hereby certifies that the foregoing is an accurate account of the vote taken at a duly convened meeting of the Caroline County Board of Supervisors on Thursday, _____, 2022, at which meeting a quorum was present at the time the meeting was convened and at the time said vote was taken.

Supervisor	Aye	Nay
Reginald L. Underwood, Chairman		
Jeffrey S. Black, Vice-Chairman		
Jeffery M. Sili		
Floyd W. Thomas		
Clayton T. Forehand		
Nancy Long		

Clerk