

ARTICLE VI. REVENUE SHARE FOR SOLAR ENERGY PROJECTS OF FIVE (5) MEGAWATTS (MW) OR LESS*

(recommended by town attorney)

***State law references:** Revenue share for solar energy projects, Code of Virginia, § 58.1-2636 Amended; § 58.1-2606.1.

Sec. 62-180. Purpose, definition, relation to other ordinances.

- (a) The purposes of this article are 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, to reflect the amendment to VA Code § 58.1-2636 approved by the Special Session I of the Virginia General Assembly and signed into law by the Governor effective July 1, 2021, and the amendment to VA Code § 58.1-2606.1, and signed into law by the Governor effective as of July 1, 2022.
- (b) Terms used in this article shall have the defined meanings found in VA Code § 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 conflicts with any other prior ordinance or provision of the Town of Halifax, Virginia Code of Ordinances, this article shall control.

Sec. 62-181. Applicability.

- (a) This Article shall apply to all solar photovoltaic (electric energy) systems projects of five (5) Megawatts (MW) or less except:
 - (i) Those generating or storage of solar photovoltaic projects that serve the electricity needs of that property upon which such solar facilities are located.

Sec. 62-182. Revenue share rate per megawatt and waiver of machine and tool tax.

- (a) The town hereby imposes a revenue share (i) to be assessed at a rate of \$1,400.00 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, on any solar photovoltaic (electric energy) project, or (ii) to be assessed at a rate of \$1,400.00 per megawatt, as measured in alternating current (AC) storage capacity, on any energy storage system. The \$1,400.00 per megawatt per year revenue share shall be increased on July 1, 2026, and every five (5) years thereafter by ten percent (10%).
- (b) Generating equipment of solar photovoltaic projects five (5) megawatts (MW) or less shall be taxed at a rate equal to the current real estate rate effective in the town, which levy shall be subject to the following exemptions: eighty percent (80%) of the assessed value in the first five years in service after commencement of commercial operation, seventy percent (70%) of the assessed value in the second

- five years of service, and sixty percent (60%) of the assessed value for all remaining years in service.
- (c) Notwithstanding clause (iii) of subsection B of VA Code § 58.1-2636, solar photovoltaic projects of five (5) megawatts (MW) or less shall not be exempt from the assessment of a revenue share as set forth in Article X, Section 19-116 through 19-118 hereof, and as otherwise authorized pursuant to the provisions of VA Code § 58.1-2636.
 - (d) Nothing in this article shall be construed to authorize local taxation on generating or storage of solar photovoltaic projects that serve the electricity needs of that property upon which such facilities are located.

Sec. 62-183 – 62-190. Reserved.