



**GENERAL INFORMATION**

Section 73 states, in part:

- (b)(1) "Active solar energy system" means a system that, upon completion of the construction of a system as part of a new property or the addition of a system to an existing property, uses solar devices, which are thermally isolated from living space or any other area where the energy is used, to provide for the collection, storage, or distribution of solar energy.
- (2) "Active solar energy system" does not include solar swimming pool heaters or hot tub heaters.
- (3) Active solar energy systems may be used for any of the following:
- (A) Domestic, recreational, therapeutic, or service water heating.
  - (B) Space conditioning.
  - (C) Production of electricity.
  - (D) Process heat.
  - (E) Solar mechanical energy.
- (d)(3) An active solar energy system that uses solar energy in the production of electricity does not include auxiliary equipment, such as furnaces and hot water heaters, that use a source of power other than solar energy to provide usable energy. An active solar energy system that uses solar energy in the production of electricity does include equipment, such as ducts and hot water tanks, that is utilized by both auxiliary equipment and solar energy equipment, that is, dual use equipment. That equipment is active solar energy system property only to the extent of 75 percent of its full cash value.
- (e)(1) Notwithstanding any other law, for purposes of this section, "the construction or addition of any active solar energy system" includes the construction of an active solar energy system incorporated by the owner-builder in the initial construction of a new building that the owner-builder does not intend to occupy or use. The exclusion from "newly constructed" provided by this subdivision applies to the initial purchaser who purchased the new building from the owner-builder, but only if the owner-builder did not receive an exclusion under this section for the same active solar energy system and only if the initial purchaser purchased the new building prior to that building becoming subject to reassessment to the owner-builder, as described in subdivision (d) of Section 75.12. The assessor shall administer this subdivision in the following manner:
- (A) The initial purchaser of the building shall file a claim with the assessor and provide to the assessor any documents necessary to identify the value attributable to the active solar energy system included in the purchase price of the new building. The claim shall also identify the amount of any rebate for the active solar energy system provided to either the owner-builder or the initial purchaser by the Public Utilities Commission, the State Energy Resources Conservation and Development Commission, an electrical corporation, a local publicly owned electric utility, or any other agency of California.
  - (B) The assessor shall evaluate the claim and determine the portion of the purchase price that is attributable to the active solar energy system. The assessor shall then reduce the new base year value established as a result of the change in ownership of the new building by an amount equal to the difference between the following two amounts:
    - (i) That portion of the value of the new building attributable to the active solar energy system.
    - (ii) The total amount of all rebates, if any, described in subparagraph (A) that were provided to either the owner-builder or the initial purchaser.
  - (C) The extension of the new construction exclusion to the initial purchaser of a newly constructed new building shall remain in effect only until there is a subsequent change in ownership of the new building.
- (f) Notwithstanding any other law, the exclusion from new construction provided by this section shall remain in effect only until there is a subsequent change in ownership.
- (g) This section applies to property tax lien dates for the 1999-2000 fiscal year to the 2025-26 fiscal year, inclusive.
- (h) The amendments made to this section by the act that added this subdivision apply beginning with the lien date for the 2008-09 fiscal year.
- (i)(1) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.
- (2) Active energy solar systems that qualify for an exclusion under this section prior to January 1, 2027, shall continue to be excluded on and after January 1, 2027, until there is a subsequent change in ownership.

