



Agriculture & Rural Affairs Committee

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SENATE BILL: 298

PRINTER'S NUMBER: 593

AMENDMENT NUMBER: 01600

PRIME SPONSOR: MIKE BRUBAKER

ANALYSIS:

A01600 amends Senate Bill 298 to permit the production of alternative energy from sources meeting the definition of a Tier I energy source on lands enrolled in Clean & Green. Tier I energy sources include solar energy, wind power, low-impact hydroelectric power, geothermal energy, biologically derived methane gas, fuel cells, biomass energy and coal mine methane.

Further, if a tract of land is enrolled in the agriculture use category (is actively farmed), and a majority of the alternative energy produced is used on site, then the land devoted to the development and operation of the alternative energy system is exempt from roll back taxes.

The definition of "Agriculture use" is amended to read:

"Agricultural use." Land which is used for the purpose of producing an agricultural commodity or is devoted to and meets the requirements and qualifications for payments or other compensation pursuant to a soil conservation program under and agreement with an agency of the Federal Government. The term includes:

(1) any farmstead land on the tract[. The term includes];

(2) a woodlot [and];

(3) any land which is rented to another person and used for the purpose of producing an agricultural commodity; and

(4) any land devoted to the development and operation of an alternative energy system, if a majority of the energy generated is utilized on the tract in the production of an agricultural commodity or in activities performed on the farmstead land.

Additional definitions are added:

"Alternative energy." Electricity, heat or other usable form of energy generated from a Tier I energy source.

“Alternative energy system.” A facility or energy system that utilizes a Tier I energy source to generate alternative energy. The term includes a facility or system that generates alternative energy for utilization on-site or for delivery of the energy generated to an energy distribution company or to an energy transmission system operated by a regional transmission organization.

“Tier I energy source.” A Tier I alternative energy source, as defined in the act of November 30, 2004 (P.L. 1672, No. 213), as amended, known as the “Alternative Energy Portfolio Standards Act.”

Language is added further clarifying situations in which roll-back taxes may be applied. Land used for oil and gas drilling and extraction may be assessed roll-back taxes on the restored well site, as defined in the well site restoration report filed with the Department of Environmental Protection as required by oil and gas drilling regulations under 25 Pa Code 78.65; the assessment of roll-back and fair market value on this land will be retroactive back to the date of the well drilling permit issued under section 201 of the Oil & Gas Act of 1984. Land devoted to subsurface transmission or gathering lines is exempt from roll-back taxes. Roll-back taxes can not be imposed on a landowner for activities related to the exploration or removal of oil or gas (including coal bed methane) conducted by a party other than the landowner if the rights were severed before the land was enrolled in Clean and Green and before the effective date of this act.

A provision is added for commercial alternative energy production. Roll-back taxes shall be assessed on the portion of the land devoted to the facilities used for the production of the alternative energy; specific language defining the area to be assessed for roll-back taxes for wind turbines is included. The landowner is required to submit a notice to the county assessor no later than 30 days after the date the commercial alternative energy system is complete.

Language is added providing for the one-time temporary lease of land subject to preferential assessment for the storage of pipe. Leases can not exceed two years in length and the land must be restored to the original use for which it originally qualified following the expiration of the two years.