

House Engrossed

solar royalties fund; county residents

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

# HOUSE BILL 2281

AN ACT

AMENDING TITLE 11, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY  
ADDING SECTION 11-269.29; RELATING TO COUNTY BOARDS OF SUPERVISORS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Title 11, chapter 2, article 4, Arizona Revised  
3 Statutes, is amended by adding section 11-269.29, to read:  
4 11-269.29. County solar royalties fund; definition  
5 A. A COUNTY SOLAR ROYALTIES FUND SHALL BE ESTABLISHED BY THE BOARD  
6 OF SUPERVISORS IN EACH COUNTY TO BE ADMINISTERED BY THE COUNTY  
7 TREASURER. THE FUND WILL BE FUNDED BY EACH OWNER OR OPERATOR OF A SOLAR  
8 PANEL IN THAT COUNTY THAT MEETS ALL OF THE FOLLOWING:  
9 1. THE SOLAR PANEL IS LOCATED IN THE RELEVANT COUNTY.  
10 2. THE SOLAR PANEL IS NOT ANY OF THE FOLLOWING:  
11 (a) OWNED BY AN ELIGIBLE ENTITY.  
12 (b) SUBJECT WHOLLY TO AN EXCLUSIVE POWER PURCHASE AGREEMENT WITH AN  
13 ELIGIBLE ENTITY.  
14 B. IF A SOLAR PANEL IS A PART OF A SOLAR FACILITY IN WHICH ONLY A  
15 PORTION OF THE OUTPUT OF THE SOLAR FACILITY IS SUBJECT TO A POWER PURCHASE  
16 AGREEMENT WITH AN ELIGIBLE ENTITY, THE OWNER OR OPERATOR OF THE SOLAR  
17 PANEL SHALL CALCULATE THE NUMBER OF SOLAR PANELS THAT ARE SUBJECT WHOLLY  
18 TO AN EXCLUSIVE POWER PURCHASE AGREEMENT FOR THE PURPOSES OF SUBSECTION A  
19 OF THIS SECTION BY:  
20 1. DIVIDING THE OUTPUT OF THE SOLAR FACILITY SUBJECT TO A POWER  
21 PURCHASE AGREEMENT WITH AN ELIGIBLE ENTITY BY THE TOTAL OUTPUT OF THE  
22 SOLAR FACILITY.  
23 2. MULTIPLYING THE QUOTIENT AS DETERMINED PURSUANT TO PARAGRAPH 1  
24 OF THIS SUBSECTION BY THE TOTAL NUMBER OF SOLAR PANELS IN THE SOLAR  
25 FACILITY.  
26 C. THE OWNER OR OPERATOR OF A SOLAR PANEL THAT MEETS THE  
27 REQUIREMENTS OF SUBSECTION A OF THIS SECTION SHALL:  
28 1. NOT LESS THAN THIRTY DAYS BEFORE THE OPERATIONAL DATE OF THE  
29 SOLAR PANEL, NOTIFY THE COUNTY THAT THE SOLAR PANEL MEETS THE REQUIREMENTS  
30 OF SUBSECTION A OF THIS SECTION.  
31 2. ON THE FIRST OF EACH MONTH AFTER THE OPERATIONAL DATE OF THE  
32 SOLAR PANEL:  
33 (a) PROVIDE THE COUNTY WITH A WRITTEN REPORT THAT INDICATES THE  
34 TOTAL KILOWATT-HOURS GENERATED BY THE SOLAR PANEL IN THE PRECEDING MONTH  
35 AND THE REVENUES RECEIVED BY THE OWNER OR OPERATOR IN THE PRECEDING MONTH  
36 FROM THE SALE OF THE KILOWATT-HOURS.  
37 (b) PAY THE COUNTY IN WHICH THE SOLAR PANEL IS LOCATED TWELVE AND  
38 ONE-HALF PERCENT OF EVERY \$1.00 THAT THE OWNER OR OPERATOR RECEIVES IN  
39 REVENUES FROM THE SALE OF KILOWATT-HOURS FROM THE SOLAR PANEL IN THE  
40 PRECEDING MONTH. THE COUNTY SHALL DEPOSIT THESE MONIES IN THE FUND  
41 ESTABLISHED PURSUANT TO SUBSECTION A OF THIS SECTION.  
42 D. THE COUNTY ASSESSOR SHALL ADMINISTER AND ENFORCE SUBSECTION C OF  
43 THIS SECTION. THE COUNTY ASSESSOR MAY USE FUND MONIES, WHICH MAY NOT  
44 EXCEED TEN PERCENT OF THE MONIES IN THE FUND, FOR THE ADMINISTRATIVE COSTS  
45 OF SUBSECTION C OF THIS SECTION.

1 E. FUND MONIES SHALL BE USED TO PAY PROPERTY TAXES WITHIN THE  
2 COUNTY. IF ALL PROPERTY TAXES WITHIN THE COUNTY ARE PAID BY FUND MONIES,  
3 THE BOARD OF SUPERVISORS OF THAT COUNTY MAY ELECT TO DISTRIBUTE ANY MONIES  
4 REMAINING IN THE FUND FOR ONE OR MORE OF THE FOLLOWING PURPOSES:

5 1. FUNDING FOR LAW ENFORCEMENT OR FIRE DEPARTMENTS LOCATED WITHIN  
6 THE COUNTY.

7 2. FUNDING FOR ROAD OR INFRASTRUCTURE IMPROVEMENTS WITHIN THE  
8 COUNTY.

9 3. DIRECT PAYMENTS TO COUNTY RESIDENTS PURSUANT TO SUBSECTION F OF  
10 THIS SECTION.

11 F. DIRECT PAYMENTS MADE TO COUNTY RESIDENTS PURSUANT TO SUBSECTION  
12 E, PARAGRAPH 3 OF THIS SECTION MAY BE MADE EITHER AS A SINGLE PAYMENT OR  
13 INSTALLMENT PAYMENTS, AS DETERMINED BY THE COUNTY BOARD OF SUPERVISORS.  
14 IF THE BOARD OF SUPERVISORS ELECTS TO DISBURSE FUND MONIES TO PROVIDE  
15 DIRECT PAYMENTS TO COUNTY RESIDENTS, ON THE DATE OF THE SINGLE PAYMENT OR  
16 AN INSTALLMENT PAYMENT, THE COUNTY TREASURER SHALL DETERMINE THE TOTAL  
17 AMOUNT OF MONIES AVAILABLE IN THE FUND THAT THE BOARD OF SUPERVISORS HAS  
18 ELECTED TO DISBURSE FOR THE PURPOSE OF DIRECT PAYMENTS AND THE TOTAL  
19 NUMBER OF QUALIFIED INDIVIDUALS WHO LIVE IN THE COUNTY. THE COUNTY  
20 TREASURER SHALL USE MONIES IN THE FUND FOR THE ADMINISTRATIVE COSTS OF  
21 THIS SUBSECTION, WHICH MAY NOT EXCEED TEN PERCENT OF THE MONIES THAT THE  
22 BOARD OF SUPERVISORS HAS ELECTED TO MAKE AVAILABLE FOR DIRECT PAYMENTS.  
23 AFTER THE ADMINISTRATIVE COSTS OF THIS SUBSECTION ARE PAID, THE COUNTY  
24 TREASURER SHALL PAY TO EACH QUALIFIED COUNTY RESIDENT AN EQUAL  
25 DISTRIBUTION OF THE TOTAL AMOUNT OF MONIES IN THE FUND THAT THE BOARD OF  
26 SUPERVISORS HAS ELECTED TO MAKE AVAILABLE FOR DIRECT PAYMENTS. THE DIRECT  
27 PAYMENTS SHALL BE MADE BY CHECK.

28 G. THIS SECTION DOES NOT APPLY TO A SOLAR PANEL THAT MEETS ANY OF  
29 THE FOLLOWING:

30 1. PRODUCES POWER FOR ONLY ON-SITE USE BY A COMMERCIAL OR  
31 INDUSTRIAL USER.

32 2. DOES NOT EXPORT POWER TO THE GRID.

33 3. IS A ROOFTOP SOLAR SYSTEM, REGARDLESS OF WHETHER THE SYSTEM  
34 EXPORTS POWER TO THE GRID.

35 H. FOR THE PURPOSES OF THIS SECTION, "ELIGIBLE ENTITY" MEANS ANY OF  
36 THE FOLLOWING:

37 1. A PUBLIC SERVICE CORPORATION THAT IS REGULATED BY THE  
38 CORPORATION COMMISSION.

39 2. A PUBLIC POWER ENTITY THAT HAS SERVICE TERRITORY LOCATED IN THIS  
40 STATE.

41 3. A POLITICAL SUBDIVISION OF THIS STATE THAT OPERATES A FEDERAL  
42 RECLAMATION PROJECT.