

## **AriSEIA CALL FOR ACTION RE: GOVERNOR'S OFFICE POSITION ON HB2429**

HB2429 is still awaiting a hearing in the Senate Rules Committee, subject approval of House and Senate Leadership. Budget negotiations have begun and we are working on getting our bill "in the box". However problems have arisen where we least expected them.

This past week, we heard from the Governor's Office about HB2429 solar energy tax incentives. They want us to make some significant changes to the bill. They originally wanted us to agree to lower the cap on the commercial tax credit to \$3.5 million. They have since agreed to come up to a \$5 million cap. They also want to limit the sales tax exemption to \$50,000 and to put a sunset date on the residential tax credit, even though it is already out of the bill. Now, after discussing the matter with the Governor's Office for over a week, they have told us that they are now opposed to the property tax exemption as well. They had previously told supporters of the bill that they were OK with the bill, pending budgetary considerations.

This is similar to what happened last year to solar energy legislation. It is a long sad story, but the Governor's office, again at the last minute, wanted to make some changes to the bill. Partisan politics then took over. The House and Senate Leadership cut the caps to practically nothing and extended the effective date by a year, gutting the bill up so bad that even some Democrats voted against it. The bill failed to pass in the Senate.

This year, HB2429 was being well received by conservative lawmakers; especially since the uncapped residential tax credit has been removed from the bill. In fact, even some lawmakers who opposed solar tax legislation last year appear to be on board and willing to assist us with the bill. Now we find that a Democratic Governor who has stated her support for solar is standing in the way of solar economic development in Arizona.

In over ten years working to promote solar energy at the Arizona Legislature, I never thought that I would have to solicit calls asking a Democrat in the Governor's office in to support solar energy legislation. However, Governor Napolitano needs to hear from the citizens of Arizona who support the development of solar energy. It is critical that the Governor's Office leave HB2429 alone.

We (AriSEIA) had held off asking supporters to contact the Governor's Office, but with the latest surprise.....that they are opposed to the property tax exemption, we have decided to act. We are asking members and advocates of solar energy to contact the Governor's office and ask her to support HB2429 as it is. It is a cost effective and reasonable approach to promoting the development of more solar energy in Arizona. Please contact her office by email or fax and follow up with a phone call. She needs to hear from us.

The Honorable Janet Napolitano, Governor of Arizona  
1700 West Washington  
Phoenix, Arizona 85007  
Telephone (602) 542-4331  
Toll Free 1-(800) 253-0883  
Fax (602) 542-1381

You may send her an email thorough the Governor's web site: [www.azgovernor.gov](http://www.azgovernor.gov)

Please tell the Governor's office that solar energy means economic development for Arizona and that HB2429 offers the opportunity for seventy million dollars of commercial solar energy systems to be installed in Arizona. Those systems will bring jobs, cleaner air and energy savings to our state. It will keep millions of dollars here in Arizona where our economy will benefit. Please tell her that if solar energy systems are subject to property tax, larger systems that will provide the most benefits will not be installed. Please tell her that sales tax also will ruin the economics of these systems and prevent their installation. Please tell her **to support HB2429 as is**, and not water down the benefits to Arizona. It is time that we make this modest investment in the development of solar energy in Arizona.

Thank you. If you have any questions or comments or suggestions, please feel free to contact me.

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