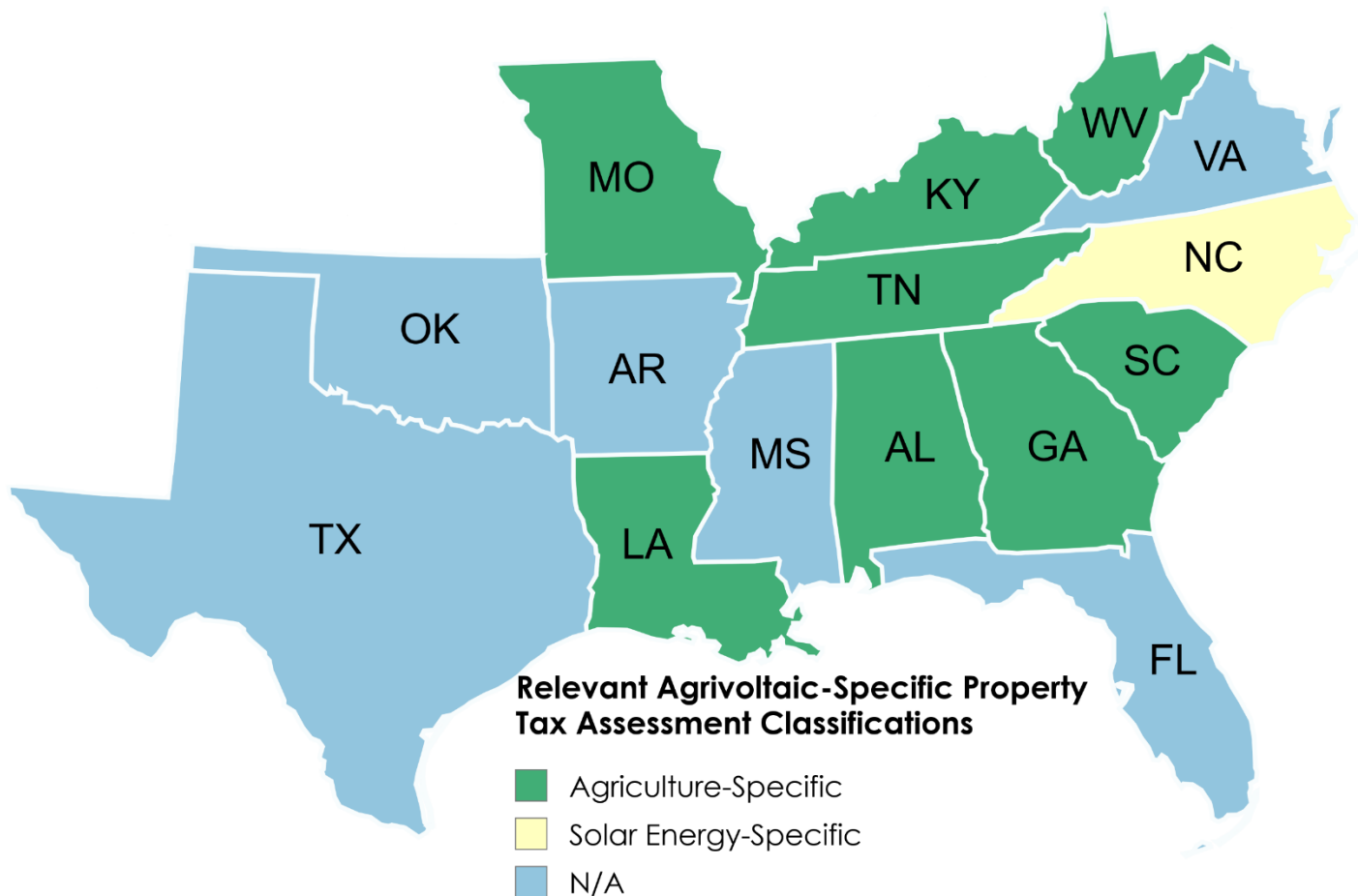




Agrivoltaics and Property Tax Laws (April 3, 2026)

Executive Summary

Agrivoltaics – also known as agrophotovoltaics, agrisolar, or dual-use solar – refers to the practice of using the same land for both solar energy production and agriculture. There is no single model; approaches vary from solar panels installed between crops, among or above grazing land, elevated above crops, in greenhouses, or arranged to support pollinators. The pairing can also offer some synergies. Solar panels may assist moderate ground temperatures, provide shelter for livestock, and help plants retain moisture. Most notably, it may also provide farmers with an opportunity to produce and sell, or lease, land for electricity generation, thereby diversifying income streams. However, this issue brings property tax complications to the forefront, given that the plethora of property tax exemptions or reductions available to farmers may also be unintentionally harnessed by agrivoltaics entities using the same land for purposes other than its intended agricultural, farming, or livestock uses.



Findings and Analysis – Select State Examples

Property taxes are typically calculated using an assessment ratio based upon the property’s classification, which is how the property is used and/or what type of property the land is.

$$\text{Assessment Ratio} = \frac{\text{Assessed Value of the Property}}{\text{Fair Market Value of the Property}}$$



Table 1. Comparison of State Property Tax Classification Laws for the 2024 Tax Year*

State	Property Classification	Assessment Ratio (%)	Special Exemption(s)
Alabama	Class I – Utilities	30	If any one class of taxable property within the taxing jurisdiction constitutes more than 50 percent of the assessed valuation of all taxable property in that jurisdiction, the assessment ratio for that class may be decreased up to a maximum of 5 percent from the rates set forth. If any one class of taxable property within the taxing jurisdiction constitutes more than 75 percent of the assessed valuation of all taxable property in that jurisdiction, the assessment ratio for that class may be decreased up to a maximum of 5 percent from the set rates and each assessment ratio of properties classified in any other class of property may be increased up to a maximum of 5 percent from the rates set forth. If any one class of taxable property within the taxing jurisdiction constitutes less than 20 percent of the assessed valuation of all taxable property in that jurisdiction, the assessment ratio for that class may be increased up to a maximum of 5 percent from the rates set forth.
	Class II – Business/Unclassified	20	
	Class III – Owner-Occupied/Agricultural	10	
	Class IV – Private Vehicles	15	
Arkansas	-	-	All property is assessed at 20 percent of full value.
Florida	-	-	The assessment standard is 100 percent of full value. A constitutional amendment limits annual growth in assessments for all property types. The Florida Constitution limits the annual growth in the assessed value of homestead properties to the lesser of 3 percent or the inflation rate. For certain non-homestead properties, the annual growth in assessed value is limited to 10 percent.
Georgia	Class I – Tangible Real Property	40	Equipment, machinery, and fixtures are assessed at the same rate as real property. Market value for certain properties, such as landmark historic properties, properties used for conservation purposes, brownfields, and residential properties in transitional developing areas, is determined under specific valuation provisions.
	Class II – Agricultural Tangible Real Property	30	



State	Property Classification	Assessment Ratio (%)	Special Exemption(s)
Louisiana	Class I – Agricultural, Horticultural, March, and Timber Lands	10	Agricultural, horticultural, march, and timberlands shall be assessed at 10 percent of use value, rather than fair market value. Assets of airline, utility cooperatives, private car line, and railroad companies, although considered public service property, are assessed at 15 percent.
	Class II – Residential Land and Improvements	10	
	Class III – Electric Co-Ops (Non-Land)	15	
	Class IV – Public Service (Non-Land)	25	
	Class V – Other Real and Personal Land (Commercial Properties)	15	
Mississippi	Class I – Single-Family, Owner-Occupied Residential Property	10	Personal property, such as inventory, furniture and fixtures, and machinery and equipment used in trade or manufacture, is subject to property tax.
	Class II – All Non-Class I- and IV-Real Property	15	
	Class III – Personal Property (Non-Vehicles)	15	
	Class IV – Public Utility Property	30	
	Class V – Motor Vehicles	30	
Missouri	Class I ₁ – Residential Real Property	19.0	Farm dwellings and up to 5 acres surrounding such dwellings are included as residential. Subclass I ₂ includes agricultural and horticultural property, including urban and community gardens, as well as vacant and unused agricultural land and agricultural or horticultural buildings. Commercial and industrial real property is assessed an additional county surcharge property tax designed to replace revenue lost due to the tax exemption of business inventories.
	Class I ₂ – Agricultural Real Property	12.0	
	Class I ₃ – Commercial Real Property	32.0	
	Class II ₁ – Personal Property (Vehicles)	33.3	
	Class II ₂ – Personal Property (Crops)	0.5	
	Class II ₃ – Personal Property (Farm Equipment, Machinery, and Livestock)	12.0	
	Class II ₄ – Personal Property (Historic)	5.0	
Class II ₅ – Personal Property (Other Equipment, Machinery, and Tools)	25.0		
North Carolina	Class I – Real Property (Historic)	50.0	Non-business personal property is exempt. Business inventories are excluded. For solar energy electric equipment used directly and exclusively for converting solar energy to electricity, 80 percent of the appraised value is excluded.
	Class II – Real and Personal Property	100.0	
	Class III – Solar Energy Electric System	20.0	



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State	Property Classification	Assessment Ratio (%)	Special Exemption(s)
Oklahoma	Class I – Real Property	11.0 – 13.5	Tangible business personal property includes farm equipment and mobile homes if not on the owner's land, improvements on tax-exempt real estate.
	Class II – Tangible Business Property	10.0 – 15.0	
	Class III – Household Goods and Livestock	10.0 – 15.0	
	Class IV – Public Service Corporation Property	22.9	
	Class V – Rail and Air Carrier Property	11.8	
South Carolina	Class I – Real and Personal Property (Manufacturing, Utility, and Mining)	10.5	Personal agricultural property includes property owned or leased to individuals or partnerships and certain corporations that do not have more than 10 shareholders; shareholders other than individuals; non-resident alien shareholders, or more than one class of stock.
	Class I _{a-c} – Real Property (Manufacturing Leased, Research and Development, or Distribution)	6.0	
	Class II – Real and Personal Property (Transportation for Hire)	9.5	
	Class III – Residential Property	4.0	
	Class IV _a – Agricultural Property (Personal)	4.0	
	Class IV _b – Agricultural Property (Business)	6.0	
	Class V – All Non-Classified Property	6.0	
	Class VI – Business Inventories	6.0	
	Class VII – Farm Machinery	5.0	
	Class VIII – Commercial Boats	5.0	
Class VIII _a – All Other Personal Property	10.5		



State	Property Classification	Assessment Ratio (%)	Special Exemption(s)
	Class VIII _b – Personal Motor Vehicles	6.0	
Tennessee	Class I and II ₁ – Real and Personal Property (Public Utility)	55.0	Vacant land that does not fall within any of the definitions is classified as farm or residential property.
	Class I ₂ – Real Property (Industrial and Commercial)	40.0	
	Class I ₃ – Real Property (Residential Single-Rental)	25.0	
	Class I ₄ – Real Property (Agriculture)	25.0	
	Class II ₂ – Personal Property (Industrial and Commercial)	30.0	
	Class II ₃ – All Other Personal Property	5.0	
Texas	-	-	The statute prohibits any assessment other than 100 percent of the appraised value. The owner of tangible personal property used in the production of income is entitled to an exemption of property that has a taxable value of less than \$2,500 in each taxing jurisdiction.

Source: Author’s tabulation using data from “Significant Features of the Property Tax,” <https://www.lincolninst.edu/data/significant-features-property-tax/access-database/property-tax-classification/>, Lincoln Institute of Land Policy and George Washington Institute of Public Policy.

*Note that Kentucky and West Virginia, instead of assessment ratios, utilize classifications for the actual tax levied on properties at the state and local levels.

** Virginia only classifies tangible personal property via statute.

Florida

In 2021, lawmakers enacted [Senate Bill 896 \(2021\)](#), creating a statutory approval process for solar facilities. Specifically, the statute states that solar facility permits shall be granted for all agricultural land use categories in a local government’s comprehensive plan and for all agricultural zoning districts in an unincorporated area. These sites must comply with all relevant setback and landscape buffer area requirements. The legislation also defines “solar facility” and states that the Legislature intends to encourage solar power generation in the Sunshine State.¹

Louisiana

In 2021, the Louisiana Legislature passed [Senate Bill 185](#) to update state law regarding solar leases, requiring that solar energy property lease requirements address acreage, access, and maintenance during the lease, as well as decommissioning and final site closure. According to the bill, the Department of Natural Resources secretary shall host public hearings and work with affected utilities, agriculture, and solar representatives to develop regulations for solar energy property leases. The rules may include the following:

- standards for testing, inspection, certification, sizing, capacity, spacing, and setbacks of solar devices,
- enforcement provisions,
- accreditation of solar certification laboratories,

¹ [Fla. Stat. Ann. § 163.3205.](#)



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- inspection and data submission requirements,
- criteria for safety, capacity, and durability, and
- public dissemination of certification and testing results.²

North Carolina

North Carolina property tax law defines "solar energy electric system" as all equipment used directly and exclusively for the conversion of solar energy into electricity. Accordingly, 80 percent of the appraised value of a solar-electric system is excluded from special class property for levying purposes.³

Virginia

The Virginia General Assembly's [House Bill 1695 \(2013\)](#) enacted net metering regulations that allow solar power generators to sell excess electricity they produce to utility providers. The legislation defines an "eligible agricultural customer-generator" as an agricultural business that:

- uses solar power, wind power, or aerobic or anaerobic digester gas as its sole energy source,
- generates 500 kilowatts or less on land owned by the agricultural business,
- is connected to a utility's grid, and
- is used primarily to power metered accounts of the agricultural business.

Adopted in 2018, [Virginia Senate Bill 429](#) codified local regulation of solar facilities. The bill states that an agricultural property owner may install solar panels on their property, provided the sites comply with all local zoning regulations and local historical, architectural, or corridor protection district policies. Virginia's [House Bill 1994 \(1st Ex. Ord. Sess. 2021\)](#) allowed "small agricultural generating facilities" to enter into power purchase agreements with their utility provider at a rate agreed upon by both parties. Small agricultural generating facilities are agricultural sites entirely powered by renewable energy that have a generating capacity of 1.5 megawatts or less and qualify as small power production facilities under state law.

² [La. Rev. Stat. § 30:1154.](#)

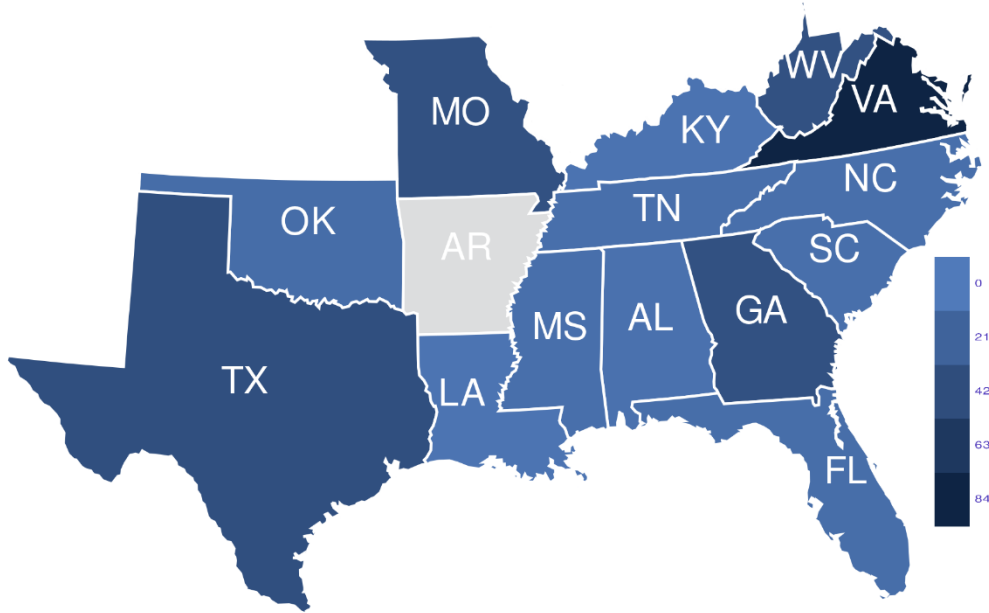
³ [N.C. Gen. Stat. §105-275 \(45\).](#)



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Findings and Analysis – Recent Legislation in the South (2024-2026)



Since the start of the 2024 legislative session, more than 300 pieces of legislation have been filed across the South addressing the various real and personal property tax implications of agrivoltaics or dual-use solar. Of these, only 59 – or nearly 19 percent – passed both chambers to be either vetoed or signed into law by the governor.

State	Measure (Year)	Status	Summary
Florida	H.J.R. 1215 (2025)	Filed with the Secretary of State	This proposed constitutional amendment would exempt tangible personal property that is habitually located or typically present on agricultural land, used in the production of agricultural products or for agritourism activities, and owned by the landowner or leaseholder of the agricultural land. If approved, the amendment will take effect for tax assessments issued on or after January 1, 2027.
Georgia	H.B. 90 (2025)	Enacted	Amending the preferential assessment for bona fide conservation use property, this legislation increases the maximum acreage that can qualify for assessment and taxation as bona fide conservation use property, raising the limit from 2,000 acres to 4,000 acres. This adjustment applies to both individual owners and family-owned farm entities, allowing them to benefit from the conservation use assessment on a larger scale. The legislation also stipulates that a single owner can enter multiple covenants for bona fide conservation use property, provided the total acreage does not exceed the new 4,000-acre limit. Additionally, the bill mandates that property under current use assessment be separately classified on the tax digest, with covenants being public records to ensure transparency and compliance with the acreage limitations. The act is set to take effect on January 1, 2027, contingent on voter ratification of a constitutional amendment in the November 2026 statewide general election.



State	Measure (Year)	Status	Summary
Mississippi	S.B. 3116 (2026)	Enacted	It expands the definition of eligible 'projects' and 'new enterprises' for ad valorem tax exemptions to include facilities that store energy using battery energy storage systems, whether standalone or co-located with renewable energy generation facilities. Counties may now grant ad valorem tax exemptions of up to 50 percent of the total assessed value for such projects, provided they involve a private capital investment of at least \$100 million. It also explicitly adds battery energy storage system facilities to the list of enterprises eligible for county or municipal ad valorem tax exemptions, aligning them with other sectors such as manufacturing, data centers, and technology-intensive enterprises. The bill extends the authority to grant these exemptions through June 30, 2028. It clarifies that the maximum exemption period remains 10 years from the date of completion of the new enterprise, and that specific procedures apply to requesting and granting exemptions. The legislation does not alter the exclusion of state and school district ad valorem taxes from these exemptions, nor does it include medical cannabis establishments.
	S.B. 3166 (2025)	Enacted	The legislation directs the Department of Revenue to include commercial solar and wind facilities as a distinct category of industrial property when creating its annual table of inflation factors. This change aims to ensure that these facilities are assessed separately from other industrial properties for ad valorem tax purposes. If the Marshall Valuation Service does not provide an inflation factor for these facilities each year, the Department is instructed to set the inflation factor at 1.000. The legislation also outlines various approaches for determining the true value of different property types, including agricultural land, emphasizing the use of specific appraisal methods and criteria.
Oklahoma	S.B. 915 (2025)	Veto Overridden	It would have outlined regulations for newly constructed commercial solar energy facilities, specifically those on land owned or leased by the Commissioners of the Land Office. These facilities must meet certain standards, such as being installed on permanent grass suitable for livestock grazing, maintaining a minimum height and spacing between solar panels, and being set back a specified distance from residences unless waived. The facilities are also responsible for soil erosion prevention and must pay ad valorem taxes and other assessments. The act applies to solar energy facilities of 10 megawatts or larger and excludes projects with existing leases as of the effective date. The Corporation Commission is tasked with enforcing the act and may establish necessary rules.
Virginia	H.B. 395 (2026)	Sent to Executive	This bill facilitates the use and regulation of small portable solar generation devices and clarifies their relationship to existing energy laws. It would allow owners of certain properties, including agricultural land, to install solar facilities, provided installations comply with local zoning, height, setback, and historic preservation requirements. The act defines a 'small portable solar generation device' as a movable photovoltaic device with a maximum output of 1,200 watts per dwelling, designed for plug-in use, certified by a national testing laboratory, and equipped with safety features to prevent grid export during outages. Devices rated at 391 watts or less are exempt from certain product listing requirements if no building alterations are required. It also explicitly excludes small portable solar generation devices from the definition of 'eligible agricultural customer-generator' in net energy metering statutes, meaning these are not subject to net metering, interconnection requirements, or related compensation mechanisms. Instead, any customer may own and operate such a device without utility approval, fees, or additional equipment, provided they submit a simple notification form to their electric service provider. Utilities have 15 days to respond to the notification; otherwise, installation may proceed.



State	Measure (Year)	Status	Summary
	H.B. 508 (2026)	Sent to Executive	This legislative bill defines 'agrivoltaics' within the context of small renewable energy projects. The new definition specifies that agrivoltaics involves the intentional co-location of agricultural production and solar energy generation on the same land, with requirements that prioritize and sustain agricultural productivity, allow for ongoing production and sale of agricultural products, ensure compatibility with commercial farming, include decommissioning provisions to protect land resources, prevent significant displacement of farming activity, and provide flexibility for farmers to adapt to market conditions. The act also maintains and clarifies the definitions of 'energy storage facility' and 'small renewable energy project,' to explicitly include dedicated associated interconnection facilities for each type of qualifying renewable energy project.
	H.B. 557 (2026)	Sent to Executive	It would introduce a new classification for tangible personal property taxation, specifically targeting electric-powered landscaping equipment used in commercial, public, or private garden and lawn maintenance. The new classification includes equipment such as lawn mowers, edgers, trimmers, leaf blowers, and chainsaws that operate solely on battery power or via an electric outlet. This addition allows local governments to tax electric landscaping equipment employed in a trade or business at a rate that does not exceed the general rate for tangible personal property, aligning it with other specialized property classes. The act grants localities the authority to set differentiated tax rates on this equipment.
Virginia (cont.)	S.B. 340 (2026)	Sent to Executive	This legislation introduces and defines the term 'agrivoltaics.' Agrivoltaics is defined as the intentional co-location of agricultural production and solar energy generation on the same land, with specific requirements to prioritize and sustain agricultural productivity, allow ongoing production and sale of agricultural products, ensure compatibility with commercial farming, include decommissioning provisions to protect land resources, avoid significant displacement of farming activity, and provide flexibility for farmers to adapt to market conditions. The act also maintains and, effective July 1, 2026, expands the definitions related to 'small renewable energy projects' to include associated interconnection facilities, such as generation tie lines and substations, for projects generating electricity from sunlight, wind, water, geothermal, biomass, waste, or energy storage.



State	Measure (Year)	Status	Summary
	S.B. 347 (2026)	Sent to Executive	It would establish updated requirements for local regulation of solar energy facilities, with particular focus on decommissioning, zoning, and special exceptions for ground-mounted solar photovoltaic projects. The act mandates that owners, lessees, or developers of solar facilities must enter into written decommissioning agreements with localities, provide financial assurances, and update decommissioning cost estimates every five years to reflect inflation, technological advancements, and changes in ownership. The decommissioning plan must ensure the removal of equipment and restoration of the property to a useful condition, with compliance with stormwater regulations after decommissioning. Notice and updated financial guarantees are required within 30 days of any sale or transfer of the facility or property. The legislation clarifies that rooftop solar installations are generally permitted across agricultural zones, provided they comply with local height, setback, and preservation requirements. Ground-mounted solar facilities are permitted by right in certain cases, but larger or off-site-serving facilities (1 megawatt or more) must be considered under a special exception process unless otherwise permitted by local ordinance. The act modifies previous language to require that such facilities in agricultural zones be considered under the new special exception process, rather than simply being subject to local zoning regulations. For solar photovoltaic projects of 1 megawatt or more, the act requires localities to grant special exceptions according to a standardized set of criteria, including specific setback distances, fencing and screening requirements, height limits (with allowances for agrivoltaics), minimization of visual impacts, light dimming technology, stormwater compliance, minimization of impervious surfaces, soil and vegetation management, wildlife passage, and adherence to labor standards necessary for federal tax credits. Localities may not be compelled to approve applications, but any special exception granted is considered an amendment to the zoning ordinance. The act also allows for siting agreements with less stringent restrictions if mutually agreed upon. The act introduces new reporting requirements: localities must submit records of special exception decisions to the State Corporation Commission (SCC) within 60 days, including the reasons for adverse decisions and the extent of compliance with the comprehensive plan. The SCC is tasked with maintaining a public, searchable database of these decisions for at least five years and must provide a standardized reporting form to localities by July 1, 2026.
Virginia	H.B. 106 (2024)	Enacted	This act updates and expands the state's shared solar program for customers of Phase II investor-owned utilities. Key changes include increasing the program's initial aggregate capacity from 150 to 200 megawatts, with a requirement that at least 51 percent of a new 75-megawatt tranche serve low-income customers. The bill clarifies definitions, such as 'dual-use agricultural facility,' and allows subscriber organizations to operate in multiple utility territories. The act introduces incentives for projects located on rooftops, brownfields, landfills, or dual-use agricultural facilities. It directs the Department of Energy to convene a stakeholder group to determine project incentives.