HB 1039_CBF SUPPORT_B&T.pdf
Uploaded by: Doug Myers
Position: FAV

CHESAPEAKE BAY FOUNDATION

Environmental Protection and Restoration
Environmental Education

House Bill 1039

Property Tax – Community Solar Energy Generating Systems – Agrivoltaics

Date: March 29, 2022
To: Budget and Taxation

Position: **Support**
From: Doug Myers, Maryland Senior Scientist

Chesapeake Bay Foundation (CBF) **SUPPORTS** HB 1039 which provides a property tax exemption for community solar energy generating systems that are used for agrivoltaics or are installed on a rooftop, brownfield, landfill, or clean fill.

CBF supports the expansion of community solar generating systems but has expressed concern regarding the general lack of siting criteria for solar projects in Maryland that has resulted in many community solar installations being placed on prime farmland or forests.

This bill encourages siting community solar installations in locations that will have minimal impact on these lands important for maintaining a healthy food supply and protection of our streams, rivers and Chesapeake Bay.

We believe that carefully planned agrivoltaics projects can maximize farmer revenues from grazing and other perennial crops that have been proven to regenerate soil organic matter, biodiversity, water retention and carbon sequestration.

CBF urges the Committee's FAVORABLE report on HB 1039. For more information, please contact Robin Clark, Maryland Staff Attorney at rclark@cbf.org and 443.995.8753.

Maryland Office ▪ Philip Merrill Environmental Center ▪ 6 Herndon Avenue ▪ Annapolis ▪ Maryland ▪ 21403
Phone (410) 268-8816 ▪ Fax (410) 280-3513

HB1039 Favorable Testimony CCSA (2).pdf
Uploaded by: Leslie Elder
Position: FAV

Before the General Assembly of the State of Maryland

Budget and Taxation Committee
March 29, 2022

Testimony of Leslie Ann Elder
Mid-Atlantic Regional Director
Coalition for Community Solar Access

HB1039: "Property Tax- Community Solar Energy Generating Systems- Agrivoltaics"
FAVORABLE

Thank you for the opportunity to provide testimony on Community Solar Energy Generating Systems (CSEGS) Generating Capacity. The Coalition for Community Solar Access (CCSA) submits testimony in strong support of Delegate Leudtke HB1039.

CCSA is a national coalition of businesses and nonprofits working together to implement best practices for all community solar markets. Our mission is to empower all Maryland households and businesses that seek home grown energy sources through community solar. We work with customers, utilities, local stakeholders, allies and policymakers to develop and implement best practices that ensure community solar programs provide a win-win-win solution. Our members are solar industry leaders and are engaged at every step of development, ensuring these best practices are not theoretical but are applied and practiced. We represent over 80 member companies, some who are headquartered in Maryland and others who are investing here.

CCSA and our members are active participants in the community solar pilot program (CSEGs) and are thankful for the opportunity to use the few remaining years of the pilot program to test out solutions to achieve the policy objectives of the state and local jurisdictions. HB1039 proposes to make a necessary change to the pilot program to bring best practices from the other states and provide a pathway to achieve several policy objectives for the state's renewable portfolio standards and ensure access to clean energy to all. Furthermore, this small change is already attracting competition into the Maryland Community Solar Market and signaling to developers who are not currently participating in the pilot program opportunities to participate in the final years.

The Department of Energy has committed to power 5 million households with community solar by 2025. Community solar is a fast-growing solar segment and is touted as the way for policy makers to ensure solar generation is accessible for all. According to the latest Solar Insight Report by Wood Mackenzie, there are 3,400 megawatts (MW) of installed community solar in the United States, which is enough to power 600,000 households. The US Department of Energy's Community Solar goal of 8,3000 MW is an increase of more than 700% over the next four years. Currently, there are 21 states who have a community solar program and several states are moving quickly to advance legislation. Maryland was one of the earliest leaders in community solar with the passage of the pilot program (HB1087 in 2015) but has fallen behind as more and more states have adopted community solar. Delegate Luedke's HB1039 is a common sense approach and a simple solution to create opportunities for innovative technologies that have emerged since the beginning of the pilot program.

Today, only a fraction of Maryland households, approximately 25%, can access solar energy due to common limiting factors that include home or business ownership, the proper load bearing roof and sun orientation, or financial barriers. Community solar allows anyone who pays an electric bill the opportunity to lower their energy burdens and receive all of the benefits for producing solar energy for their generation source. United States Department of Energy Secretary Jennifer M. Granholm stated "achieving these ambitious targets will lead to meaningful cost savings, create jobs in communities, and make our clean energy transition more equitable."

Delegate Leudke's HB1039:

- **Create an innovative test for the Maryland Community Solar Market to incentivise development on preferred sites and explore farmer driven opportunities to combine hosting a solar facility with crop production.** Currently, the state is significantly behind the policy goals of the Clean Energy Jobs Act of 2019 and the expansion of the community solar pilot program (SB520 of 2019). For community solar, siting projects in a manner that matches the desires of local jurisdictions and making the required adjustments to the Maryland market to reflect the higher cost of development on preferred sites has been challenging. This bill uses a short term solution to incentivize these projects in the final years of the pilot program.
- **Encourage innovation and new technologies to be incorporated into the community solar pilot program.** With the US Department of Energy's commitment to power 5 million homes with community solar by 2026, there will be an increased need to develop a wide variety of types of projects and it should include emerging technologies, such as agrivoltaics. Agrivoltaics is a segment of community solar that establishes a farmer driven community solar project where crops are actively grown under and in between the panels for the life of the project. Massachusetts has an effective "dual use" program and New Jersey is launching their "dual use pilot program" this year. This bill will allow Maryland to establish a 2 year pilot without the requirement to stand up a new solar program for the state. Currently, Maryland is in the fifth year of the pilot program with the final allocation of capacity in 2023 and program closure by December 31, 2024. Permanent program design requires thoughtful and careful decisions from key decision makers and regulators on what are the best practices and lessons learned from the pilot program. The development cycle is long and making simple changes to the program, as HB1039 intends to do, there is little time to properly evaluate the effectiveness of the market mechanism before the program sunshines. The time is now to move HB1039 for proper programmatic evaluation.
- **Improve siting concerns of local jurisdictions.** According to the Solar Insight Report, the highest year for community solar development was in 2017, right after the program opened and there was increased access to cost effective locations to connect these projects to the grid. Now in the fifth year, projects quickly become financially unfeasible based on high interconnection costs and private capital investments for grid modernization as these costs are absorbed on a per megawatt basis. HB1039 will ensure more people can access community solar, with greater cost savings for consumers, and create a cost effective solar market that will be sustainable for decades to come.
- **Promotes competition in the final years of the pilot program by providing new market mechanisms for new developers to participate in the pilot.**

Delegate Leudke's HB1039 is simple and a creative solution to incentivize preferred siting development. Leveraging local solar will help Maryland achieve its unique energy demands and avoid costly distribution system investments. Thank you for your time and consideration for HB1039 and CCSA hopes we can count on your support.

Respectfully,

Leslie Ann Elder, Mid-Atlantic Director
Coalition for Community Solar Access


COALITION FOR
COMMUNITY
SOLAR
ACCESS

Lightstar Renewables HB1039 Favorable Testimony.pd
Uploaded by: Lucy Bullock-Sieger
Position: FAV

LIGHTSTAR

Committee: Budget and Taxation
Testimony on: HB1039 "Property Tax – Community Solar Energy Generating Systems – Agrivoltaics"
Position: Support
Date: March 29, 2022

Lightstar Renewables, is a national developer of community solar agrivoltaic systems and is currently sourcing sites in Maryland. Lightstar has worked collaboratively with research institutions, farm bureaus, and farmland preservation organizations to advocate for and implement agrivoltaics policies in Massachusetts, Maine, New York, and New Jersey. The American Farmland Trust has supported agrivoltaic projects and explains that they "maintain, rather than displace, farming activity by making agricultural production an integral part of the project design and operation. Project designs and plans for construction and decommissioning are created with a farmer or other expert in a manner that retains or enhances the land's agricultural productivity and viability during and after the life of the project."[1]

Although Lightstar would like to develop sustainable agrivoltaic systems, which would secure and stabilize productive family farms for the next generation - agrivoltaic systems are currently not financially viable in the Maryland market. The passage of HB 1039 would alleviate critical financial barriers to developing agrivoltaic projects in Maryland.

Encouraging Agrivoltaics in Maryland

Agrivoltaics is an opportune policy to pursue given the variety of pressures that localities are facing from both conservation and sustainable energy goals. Towns who want to act locally to combat the climate crisis are faced with diverging priorities of preserving important local farmland and developing clean energy resources for the grid. This unnecessarily positions towns to choose between policy goals, where both farmland and adequate clean energy sites are scarce resources. Local pressure is exerted to prohibit clean energy on farmland, but doing so leaves those farms vulnerable to more permanent, impervious development.

[1] American Farmland Trust. Smart Solar Siting on Farmland: Achieving Climate Goals While Strengthening the Future for Farming in New York (2022)

Given there are certain constraints for developers when citing projects such as interconnection and minimizing tree cutting, incentivizing developers to better utilize brownfield, rooftops, and open space will enable Maryland to accelerate its clean energy goals in a responsible and sustainable way. Lightstar supports this effort, particularly agrivoltaics, as it can help stabilize regional food production and family farms in addition to allowing more people to access the direct financial benefits of community solar.

Lightstar develops projects that place the land and farmer first – we do that by designing the array with the current and future farm operation in mind from day one. This can be as simple as spreading the rows farther a part or raising the panels a few feet higher. Though sometimes this does come at an increased cost, HB1039 offers a simple, cost-effective way to incentivize this innovative farmland conservation strategy that does not negatively impact ratepayers. We understand that there may be concern about lost potential revenue to municipalities, but our projects would still be paying some real estate, and other local taxes for the life of the project, which would not otherwise be seen by municipalities and counties if this bill were not to go forward. Additionally, this is a temporary measure to steer the development of the current pilot program.

Rural Economic Development and Food System Stability

The tax exemption for the equipment used for our systems is not insignificant to Lightstar and could help turn standard ground mounted solar arrays into food producing agrivoltaic systems. The agrivoltaic tax exemption would have a direct impact on the ability for farmers to stay on their land and mitigate financial risk of their business. In order for these systems to be successfully farmed– we need a dedicated farmer to ensure that the land remains in production over the life of the solar project. In other markets Lightstar pays a stipend in addition to land lease payments to the farmer – for their time, operational costs, and maintenance of the land and project. These tax exemptions would allow us to pay a stable and meaningful stipend to the farmer to keep this parcel in production – therefore guaranteeing a family farm keeps providing crops or livestock for the next generation.

Incentivizing more of the industry with a tax exemption for agrivoltaics addresses the important land use issues, while supporting wider state policy goals such as rural economic development, transition to regenerative agriculture, young farmer land access, and carbon sequestration. Prioritizing agrivoltaics enables developers to provide farmers with favorable conditions to keep farmland in production, helping to stabilize farming enterprises for the next generation, while developing local clean energy. The relatively

small size of community solar projects is advantageous as a preliminary model because smaller farms are the most in need of long-term financial stability.

The United States National Renewable Energy Lab (NREL), Universities, American Farmland Trust and farmers have been conducting research for the last decade on agrivoltaics. With over 3,000 MW globally, this sustainable project type is ready to be implemented in markets such as Maryland. Reports of the negative effects of climate change on farmland are being realized even earlier than originally thought, this necessitates embracing novel frameworks for achieving policy goals. Agrivoltaics is an available solution and we urge the committee to make a favorable report for HB1039.

Thank you for your consideration. If there are any questions, please reach out.

Sincerely,

Lucy Bullock-Sieger
Director of Strategy
Lightstar Renewables
Lucy.Bullock-Sieger@lightstar.com

MD Tax Bill SRE Testimony final Senate 2022.pdf
Uploaded by: Nathan Greenberg
Position: FAV

SUMMIT RIDGE ENERGY

29 February 2022

Maryland Senate Tax and Budget Committee

Re: HB 1039 – CSEG Tax/Agrovoltaics Bill
Position: FAVORABLE

Good afternoon distinguished members of the committee.

My name is Nate Greenberg, Vice President at Summit Ridge Energy. We are here in support of Delegate Leudtke's HB 1039 – CSEG Tax/Agrovoltaics Bill.

Summit Ridge Energy develops, owns, and operates community solar projects around the nation. We are one of the leaders in the Maryland community solar market. Summit Ridge Energy takes pride in being good stewards of Maryland's environment and agricultural land, and Summit Ridge Energy is making a real effort to follow the guidance laid out by 2020's Governor's Task Force on Solar Siting, which called for developing more solar projects of all types on rooftops. We have signed rooftop solar leases on several industrial rooftops in Maryland to host community solar projects (CSEGs), and are actively working to develop those projects to get to construction and operation.

Rooftop solar projects are not without their challenges. High rent rates and lower system production put them at a disadvantage to ground-mounted community solar projects. Construction costs are often higher than solar projects built on the ground. Building owners are often hesitant to host these systems for fear the additional rental income could increase their building property taxes. HB 1039 helps ease those barriers to entry and will stimulate strong growth of the Maryland rooftop community solar market.

As word spreads among building owners that leasing their roofs to community solar projects is a great way to earn additional rental income on otherwise unusable space, especially after the tough Covid years so many had in 2020 and 2021, the demand to host these projects continues to increase exponentially. At the same time, county zoning boards have made it clear that they want less community solar projects on prime agricultural land and greenfields, and more community solar projects on rooftops. Unfortunately, the tax uncertainty surrounding rooftop community solar projects is a major barrier to increased development. The passage of HB 1039 puts Maryland in a position to capture this demand and catapult itself to being one of the leading rooftop community solar markets in the country.

This bill only applies to community solar projects constructed on rooftops and the built environment as well as agrovoltaic community solar projects, which are less than 20% of the total amount of community solar projects in Maryland. This bill does not seek any form of tax

exemption for typical ground-mounted community solar projects, or any other form of solar project.

Thank you for your time today.

Sincerely,

Nathan Greenberg
VP, Business Development
Summit Ridge Energy
ngreenberg@srenergy.com
571.999.3956

Support HB 1039_CleanChoice Energy.pdf
Uploaded by: Rachel Smucker
Position: FAV

1055 Thomas Jefferson St NW #650
Washington, DC 20007
p (202) 000-0000 f (202) 000-0000
CleanChoiceEnergy.com

Committee: **Senate Budget and Taxation**

Testimony on: **HB 1039 "Property Tax - Community Solar Energy Generating Systems - Agrivoltaics"**

Position: **Support**

Hearing Date: **March 29, 2022**

Chairman Guzzone, Vice Chair Rosapepe, and Members of the Senate Budget and Taxation Committee,

CleanChoice Energy submits this testimony in support of HB 1039, introduced by Delegate Luedtke, which provides incentives for community solar facilities developed on preferred sites like rooftops, brownfields, landfills or clean fill sites, as well as dual-use agricultural land.

CleanChoice Energy is a mission-driven renewable energy company based in Washington, D.C.. As a community solar services provider, we provide support for more than 20 megawatts of community solar projects in Maryland, benefitting over 5,000+ Maryland households annually through community solar subscriptions.

As part of Maryland's Community Solar Pilot Program, these projects enable Maryland residents to save up to 10 percent on their utility bills based on electricity generated by the projects. These projects, located in Anne Arundel, Baltimore, Dorchester, Howard and Prince George's counties, are also pollinator-friendly solar farms, which support the landowners' habitats and pollinator populations. Under HB 1039, these dual-use sites, also known as agrivoltaics (i.e. a site that simultaneously uses the land for both solar power generation and agriculture) would be incentivized through personal property tax exemptions.

Maryland, like many other states, is figuring out the right balance between the need to rapidly transition the state's energy sector to 100% clean energy with the state's conservation and agricultural goals. These incentives will provide the needed market mechanisms to make siting community solar projects on these preferred sites attractive to developers, while reducing the strain on other available land and site origination practices.

This minor change to the community solar program will allow more efficient solar development in Maryland, directing community solar projects to rooftops, brownfields, landfills, clean fill and dual-use sites first.

We respectfully ask for a favorable report on HB 1039. Thank you for your time and consideration.

Sincerely,

Rachel Smucker

Mid-Atlantic Regulatory Affairs and Policy Associate

Rachel.smucker@cleanchoiceenergy.com

HB1039_IndivisibleHoCoMD_FAV_RichardDeutschmann.pd
Uploaded by: Richard Deutschmann
Position: FAV

HB1039 – Property Tax - Community Solar Energy Generating Systems - Agrivoltaics

Testimony before

Senate Budget and Taxation Committee

March 29, 2022

Position: Favorable

Mr. Chair, Mr. Vice Chair and members of the committee, my name is Richard Deutschmann, and I represent the 750+ members of Indivisible Howard County. We are providing written testimony today in ***support of HB1039***, to provide a tax credit for certain community solar projects in the state. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We appreciate the leadership of Delegate Luedtke for sponsoring this important legislation.

Community Solar has been a very successful program here in Maryland, as it has been in numerous states across the country. According to the Solar Energy Industries Association, there are now more than 3,600MW of Community Solar projects operating in the United States, as of 3Q21. It fills a gap for subscribers to be able to utilize the benefits of solar energy, even if they cannot use onsite solar because of lack of home ownership, economic status, or configuration issues such as shaded property. Community Solar helps the state to realize its goal of bringing 1000's of MW of clean energy online, as we reduce our use of fossil fuels to lower greenhouse gas emissions. Finally, Community Solar has the potential to reach 1000's of low to moderate income (LMI) subscribers, with savings on energy bills that will help those who need it most.

Community Solar projects on agricultural land hold great potential for multiple uses. Ground mounted solar projects can now be built in such a way to grow crops (or graze animals) in the spaces between or below the arrays. And Community Solar can also be built on rooftop, parking lot, or brownfield locations, with the benefits of putting generation near the electric loads, while reducing the use of greenfield and ag lands. But these methods are more costly to build. So, this tax credit will encourage this type of development, with many benefits to the state and the community.

For these reasons, we support the goals of HB1039, as critical in building a strong Community Solar market in Maryland. Thank you for your consideration of this important legislation.

We respectfully urge a favorable committee report.

Richard Deutschmann
Columbia, MD 21045

HB1039_B&T_FAV_SGC_Power.pdf
Uploaded by: Tyler Jones
Position: FAV

March 29, 2022

Maryland Senate
Senate Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

RE: House Bill 1039 - Property Tax - Community Solar Energy Generating Systems – Agrivoltaics

Position: **SUPPORT**

Dear Chairman Guzzone, Vice Chair Rosapepe and Members of the Senate Budget and Taxation Committee,

Thank you for holding this public hearing today and allowing our testimony. I write to you to urge your favorable recommendation of House Bill 1039. This bill provides the necessary tax exemptions to make community solar facilities feasible on rooftops, brownfields and landfills, as well as make agrivoltaic facilities a more manageable option for ground mount projects.

SGC Power is a Howard County-based Community Solar development company. Our team has decades of combined solar experience, developing hundreds of megawatts of electricity across the country with a focus on the Mid-Atlantic, especially in Maryland. In addition, within our portfolio, we have developed an operational agrivoltaic solar facility that utilizes sheep grazing.

SGC Power welcomes the proposed legislation. This bill will of course provide greater opportunities for local community solar development companies like SGC to consider more rooftop, brownfield and landfill options, as well as provide additional options for landowners for traditional ground mount facilities. With the successful passage of this legislation, it will give rise to further community solar facilities and in turn, provide more opportunities for your constituents to enjoy the benefits that come with subscribing to a community solar facility.

This legislation provides greater opportunities and incentives for the development and construction of more community solar facilities through its tax exemption, which opens the door to developing rooftops that would otherwise not be financially viable. For example, when developing community solar facilities on a rooftop, while the available square footage may be adequate to host a solar facility, many other factors come into play, much of which revolve around a roof's structural capacity to handle the additional loading as well as the lifecycle of the roofing materials and how to handle a future roof replacement.

Similarly, when developing an agrivoltaic facility, the planning, construction and long-term costs increase. This is especially true when utilizing a project site for livestock grazing due to various additional requirements that come with different types of livestock being free to roam. The array may need to be elevated higher, additional fencing may be needed around certain elements of the array, insurance costs will be greater in order to cover potential damage to the equipment and out-of-service expenses if the livestock damages any equipment, as well as an increase in insurance liability premiums when compared to facilities where only system owner authorized personnel are permitted to enter. Further, costs could be incurred in training the livestock owner and anyone they employ to safely operate within the facility.

Arguments will be made that by making these community solar facilities tax exempt, counties will be losing out on the tax revenue coming from the facilities to in turn put money back into their communities. These arguments are inaccurate because without this bill, these solar facilities are not financially viable and will not otherwise be developed. One element of the bill that is especially useful to note in response to lost revenues arguments is the requirement that the 50% tax exemption expire on December 31, 2025, when the community solar pilot program sunsets. This means that the tax exemption can only be continued if agreed upon by the General Assembly, who will have the opportunity to review the Maryland Energy Administration's mandated report of their findings and recommendations of the tax exemption which is due by December 31, 2024.

SGC Power supports HB1039 and for all the reasons above, we respectfully ask the Committee for a favorable report.

Thank you for your support, we are available for any questions you may have.

Regards,

Tyler D. Jones
SGC Power | Director, Legislative Affairs
(410) 709-4986
Tyler.Jones@sgc-power.com

HB1039_CHESSA_Favorable.pdf
Uploaded by: Isaac Meyer
Position: FWA

Favorable with Amendments
House Bill 1039
Property Tax - Community Solar Energy Generating Systems - Agrivoltaics
Ways and Means Committee
March 1, 2022

Honorable Guy Guzzone
Chair, Budget and Taxation
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

Chair Guzzone, Vice-Chair Rosapepe, and members of the Committee,

On behalf of the Chesapeake Solar & Storage Association (CHESSA), thank you for the opportunity to issue our **SUPPORT** of **House Bill 1039**, which would provide property tax exemptions for community solar projects used for agrivoltaics or on building rooftops, brownfields, landfills, or clean fills.

Agrivoltaics is a development strategy that is sensitive to land-use concerns and helps support the co-location of local farming practices with solar generation. Beyond having sheep keep vegetation at bay at a community solar project, solar projects can be designed to allow for both crop and clean energy production. This bill could make Maryland a leader in dual-use solar development by encouraging the industry to adopt these types of designs and offset any additional cost associated with configuring a project to accommodate dual use designs.

Additionally, since the community solar program's inception in 2015, solar developers have been unsure whether rooftop community solar arrays are exempt from personal property taxes. Given this financial uncertainty, many community solar projects have not been pursued on rooftops, as a personal property tax liability makes the project more expensive. HB 1039 further clarifies that community solar arrays built on rooftops, brownfields, landfills, and clean fills are also exempt from personal property tax, which will facilitate greater deployment of projects of these types.

CHESSA also recommends broadening the scope of this property tax exemption beyond just community solar projects. Specifically, CHESSA supports amending the bill so that the property tax exemption is for both community solar projects and non-community solar projects less than 2 megawatts in size that are sited on rooftops, brownfields, landfills, and clean fills or used for agrivoltaics. This will increase the economic viability of non-utility scale solar systems, which are often located in urban environments and more cost-intensive than utility-scale systems and sends a strong market signal that Maryland's solar market is open for business, attracting private investment and local job opportunities while helping Maryland decarbonize its economy and achieve its ambitious clean energy goals.

On behalf of CHESSA, thank you for your support of Maryland's solar industry. We urge a favorable report on House Bill 1039 with an amendment to expand the proprety tax exemption to incorporate solar project less than 2 megawatts in size sited on rooftops, brownfields, landfills, and clean fills or used for agrivoltaics.

Submitted by:
Scott Elias, Solar Energy Industries Association on behalf of CHESSA

HB 1039_FWA_MML.pdf
Uploaded by: Justin Fiore
Position: FWA

Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

March 29, 2022

Committee: Senate Budget and Taxation Committee

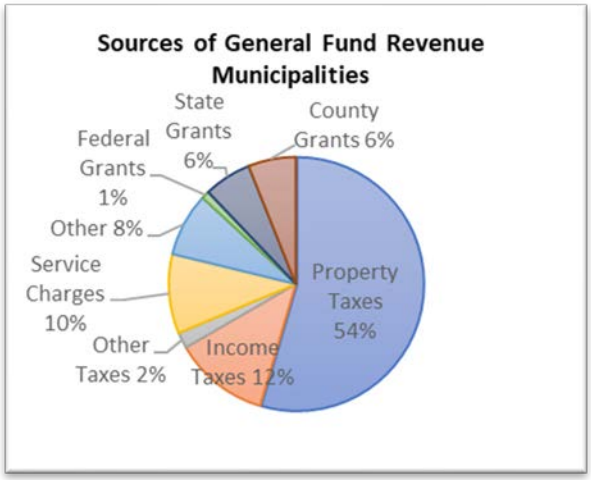
Bill: HB 1039 – Community Solar Energy Generating Systems – Agrivoltaics

Position: Support with Amendment

Reason for Position:

The Maryland Municipal League supports HB 1039 with an amendment to authorize local governments set lower personal and real property tax rates for community solar projects and offer full exemptions as well. As introduced, the bill mandates certain community solar projects be exempted from municipal personal and real property taxes.

As it stands, municipalities are overdependent on property taxes to provide essential services for their residents. Over half of municipal general fund revenues are derived from property taxes, and for some, property taxes account for over 65% of total revenues. Local jurisdictions have little control over the other major sources of revenue, leaving municipalities with few options when fiscal challenges arise. **Maryland's cities and towns are not in a position to exempt an emerging industry from personal property taxes.**



The League would, however, support the bill with amendments that allow for the creation of a new class of personal property as to adopt lower rates and the authority to fully exempt these projects from personal property taxes, such as those included in SB 841 of 2021. This would allow local governments the flexibility to incentivize the development of such projects within their budget constraints while the community solar pilot program

1212 West Street, Annapolis, Maryland 21401
410-268-5514 | 800-492-7121 | FAX: 410-268-7004 | www.mdmunicipal.org

continues to gather data. As the pilot reaches its conclusion, we believe the State should review all the incentive options available alongside a clear cost-benefit analysis.

Therefore, the League respectfully requests that this committee provide HB 1039 with a favorable report with the following amendments.

FOR MORE INFORMATION CONTACT:

Scott A. Hancock	Executive Director
Angelica Bailey	Director, Government Relations
Bill Jorch	Director, Research & Policy Analysis
Justin Fiore	Manager, Government Relations

HB1039-BT_MACo_SWA.pdf
Uploaded by: Kevin Kinnally
Position: FWA

House Bill 1039

Property Tax - Community Solar Energy Generating Systems - Agrivoltaics

MACo Position: **SUPPORT WITH AMENDMENTS**

To: Budget and Taxation Committee

Date: March 29, 2022

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1039 **WITH AMENDMENTS**. This bill would generally grant broad tax exemptions for specified community solar energy generating systems.

MACo is concerned with the carryover county fiscal effects of this legislation and would prefer approaches that provide local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources.

MACo generally supports legislation that provides local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources. Mandated tax exemptions require counties to forego meaningful local revenues to support essential public services, even if the exemptions do not serve their best interests.

HB 1039 would exempt specified community solar energy generating system property from the county or municipal personal property tax, including agrivoltaic systems and equipment installed on a rooftop, brownfield, landfill, or clean fill. In addition, the bill would require local governments to grant a prescriptive property tax credit for property on which a qualified community solar generating system is installed.

Counties stand ready to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives, but resist state-mandated changes that preclude local input. As such, MACo urges amendments to authorize rather than mandate the property tax exemptions and credits for specified solar property.

Accordingly, MACo urges the Committee to give a **FAVORABLE WITH AMENDMENTS** report on HB 1039.