



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 property 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