



MARYLAND STATE & D.C. AFL-CIO

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**HB 1250 – Maryland Solar Investment Tax Credit and
Task Force to Study Solar Energy Incentives
House Ways and Means Committee
March 9, 2022**

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to provide testimony in support of HB 1250 – Maryland Solar Investment Tax Credit and Task Force to Study Solar Energy Incentives. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

The Maryland taxpayer is an investor in businesses throughout the State. Through robust tax credits and exemptions, we support businesses with our tax dollars, deferring their costs and saddling workers with picking up some of the tab. And, like any investor, we expect a return on our investment. If Maryland is to create a new tax credit to incentivize the installation of solar power generation, we must recognize the needs of the taxpayers – Maryland’s workers – first and foremost. We should never allow the workers of our state to subsidize a business tax credit that facilitates the creation of low-road jobs with little to no benefits, and, in some instances, eligible for public assistance.

HB 1250 creates the Maryland Solar Investment Tax Credit with the mitigation of Climate Change and the creation of family-sustaining careers in mind. The tax credit covers 15% of the totaled installed costs, making it more affordable for the investor, but it also applies labor standards to the construction and installation of projects that are 2 megawatts or less. A business that receives the credit must pay prevailing wage, participate in a registered apprenticeship program, have no violations of federal or state wage laws in the preceding 3 years, maintain a “local hire” policy with an aspirational goal of 25% of total work hours to be performed by state residents, and offer health care and retirement benefits.

Our business tax credits reflect our values. Should we continue to give money away without demanding certain criteria are met. No other investor in a business operates this way, and neither should the State of Maryland. If we are committed to using state job creation incentives to strengthen and build our middle class and Maryland's economy, then it is imperative that we set a higher standard for businesses to access these resources. If we do not, then workers – the investors – are paying taxes to create low-quality jobs for other workers who cannot fully participate in building our state's economy. HB 1250 starts with the premise that our investor-workers must receive a return on their investment and builds the Solar Investment Tax Credit with good labor standards from the beginning.

The bill also creates a task force to study solar energy incentives because we lack robust data and analysis that should be used to inform our solar energy policy priorities. By bringing all of the stakeholders to the table to study what works and what does not – when it comes to expanding solar energy creation in Maryland and ensuring that solar development in the State creates good quality, family-sustaining jobs – we have the opportunity to make sure solar energy policy benefits all of Maryland, and not just the investors.

We urge a favorable report on HB 1250.