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Budget and Taxation Committee

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February 21, 2023

**Testimony in Favor of SB469**  
**Task Force to Study Solar Tax Incentives**

Chairman Guzzone, Vice-Chair Rosapepe, and members of the Budget & Taxation Committee,

I respectfully request a favorable report of Senate Bill 469 to create a task force to investigate the impacts of tax incentives on the increasingly important solar industry. This bill will provide the State with valuable data and allow the General Assembly to make better informed policy decisions to aid the growth of renewable energy in Maryland and allow us to take a more strategic approach on how we use the tax system to strategically determine solar deployment.

In order to meet the emissions and renewable energy goals set by the State, it is vital that the solar industry continues to grow and that Marylanders have access to affordable clean energy. Solar energy produces extremely low amounts of environmental pollution in comparison to fossil fuels<sup>1</sup>, making it an effective tool to confront the threat of climate change.

Maryland is currently making progress in developing our clean energy infrastructure. The Community Solar Pilot Program has enabled Marylanders to create projects that provide clean energy to low-to moderate-income households<sup>2</sup>. We have also been able to attract private energy companies to the state and encourage nonprofits to work on solar energy projects. Last year, CI Renewables moved its headquarters to Baltimore, MD due to its strong customer base in Maryland.

Despite the success with increasing solar energy production, our current tax laws potentially limit the amount of competition in this sector and raise energy costs for homeowners. To

<sup>1</sup> <https://www.nachi.org/advantages-solar-energy.htm>

<sup>2</sup> <https://mupj.org/2023/01/19/expand-solar-energy-in-maryland-make-community-solar-permanent/>

continue to encourage the use of renewable energy sources, we must ensure that our tax policies successfully incentivize Maryland families, nonprofits, and businesses to invest in this emerging industry.

While the industry is growing, Maryland must be ever-vigilant to ensure that such growth does not result in externalities that can be harmful to our environment, such as the clear-cutting of forest land or the over-utilization of prime agricultural lands for ground-mounted solar.

This legislation will form a task force composed of public officials from the General Assembly, local leaders, relevant state agencies, and representatives from the solar industry. The task force will complete a one-year study of state solar tax policies and present their findings to the General Assembly. Along with the results of their study, they will offer recommendations outlining how we should reform our tax laws to make the industry more competitive and reach our renewable energy goals.

Promoting the use of clean energy is one of the most important and urgent issues that this State is facing. Passage of this Bill will allow experts across the state to complete comprehensive research on this topic and develop evidence-based policies to provide for safe, clean, sustainable, and strategic energy production.

Thank you, and once again, I request a favorable report of Senate Bill 469.