

HOUSE BILL 361

Q1

4lr1759
CF 4lr1758

By: **Delegate Jackson**

Introduced and read first time: January 17, 2024

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Exemption for Community Solar Energy Generating Systems**
3 **– Limitation on Generating Capacity – Alteration**

4 FOR the purpose of increasing a certain limitation on the generating capacity for certain
5 community solar energy generating systems that are exempt from personal property
6 taxes; and generally relating to a personal property tax exemption for community
7 solar energy generating systems.

8 BY repealing and reenacting, without amendments,

9 Article – Public Utilities

10 Section 7–306.2(a)(1) and (4)

11 Annotated Code of Maryland

12 (2020 Replacement Volume and 2023 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Tax – Property

15 Section 7–237(c)

16 Annotated Code of Maryland

17 (2019 Replacement Volume and 2023 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Public Utilities**

21 7–306.2.

22 (a) (1) In this section the following words have the meanings indicated.

23 (4) “Community solar energy generating system” means a solar energy
24 system that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (i) is connected to the electric distribution grid serving the State;
- 2 (ii) is located in the same electric service territory as its subscribers;
- 3 (iii) is attached to the electric meter of a subscriber or is a separate
4 facility with its own electric meter;
- 5 (iv) credits its generated electricity, or the value of its generated
6 electricity, to the bills of the subscribers to that system through virtual net energy
7 metering;
- 8 (v) has at least two subscribers but no limit to the maximum number
9 of subscribers;
- 10 (vi) does not have subscriptions larger than 200 kilowatts
11 constituting more than 60% of its kilowatt-hour output;
- 12 (vii) has a generating capacity that does not exceed 5 megawatts as
13 measured by the alternating current rating of the system's inverter;
- 14 (viii) may be owned by any person; and
- 15 (ix) with respect to community solar energy generating systems
16 constructed under the Program, serves at least 40% of its kilowatt-hour output to LMI
17 subscribers unless the solar energy system is wholly owned by the subscribers to the solar
18 energy system.

19 Article – Tax – Property

20 7–237.

21 (c) (1) (i) In this subsection the following words have the meanings
22 indicated.

23 (ii) “Agrivoltaics” means the simultaneous use of areas of land for
24 both solar power generation and agriculture.

25 (iii) “Brownfield” means:

26 1. a former industrial or commercial site identified by federal
27 or State laws or regulations as contaminated or polluted; or

28 2. a closed municipal or rubble landfill regulated under a
29 refuse disposal permit by the Department of the Environment.

30 (iv) “Community solar energy generating system” has the meaning

1 stated in § 7–306.2 of the Public Utilities Article.

2 (v) “Electric company” has the meaning stated in § 1–101 of the
3 Public Utilities Article.

4 (2) This subsection applies through the life cycle of a community solar
5 energy generating system that:

6 (i) is placed in service after June 30, 2022; and

7 (ii) has been approved on or before December 31, 2025, by the Public
8 Service Commission under § 7–306.2 of the Public Utilities Article.

9 (3) Personal property is exempt from county or municipal corporation
10 property tax if the property is machinery or equipment that is part of a community solar
11 energy generating system that:

12 (i) has a generating capacity that does not exceed [2] 5 megawatts
13 as measured by the alternating current rating of the system’s inverter;

14 (ii) provides at least 50% of the energy it produces to low- or
15 moderate-income customers at a cost that is at least 20% less than the amount charged by
16 the electric company that serves the area where the community solar energy generating
17 system is located; and

18 (iii) 1. is used for agrivoltaics; or

19 2. is installed on a rooftop, brownfield, parking facility
20 canopy, landfill, or clean fill.

21 (4) On or before October 1 each year, the Department shall report to the
22 Senate Budget and Taxation Committee and the House Ways and Means Committee, in
23 accordance with § 2–1257 of the State Government Article, on the number and location of
24 projects that, in the immediately preceding taxable year, have received the exemption
25 under this subsection.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
27 1, 2024, and shall be applicable to all taxable years beginning after June 30, 2024.