

# SENATE BILL 841

Q1, Q2

11r2101  
CF HB 954

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By: **Senators Hershey, Feldman, and Guzzone**

Introduced and read first time: February 9, 2021

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Solar Energy Systems**

3 FOR the purpose of establishing certain solar energy property as a subclass of personal  
4 property; providing that the county tax rate applicable to certain solar energy  
5 property may be a different rate from the county tax rate applicable to other personal  
6 property, subject to a certain limitation; exempting personal property that is a  
7 certain community solar energy generating system from a county or municipal  
8 corporation property tax under certain circumstances; prohibiting the supervisor of  
9 assessments for a county, when valuing income producing real property, from  
10 considering the value of certain income attributable to the installation of a certain  
11 community solar energy generating system; defining a certain term; providing for  
12 the application of this Act; and generally relating to property taxes and solar energy  
13 systems.

14 BY repealing and reenacting, without amendments,  
15 Article – Public Utilities  
16 Section 7–306.2(a)(1) and (3)  
17 Annotated Code of Maryland  
18 (2020 Replacement Volume and 2020 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – Tax – Property  
21 Section 6–302(b)(1) and 8–101(c)  
22 Annotated Code of Maryland  
23 (2019 Replacement Volume and 2020 Supplement)

24 BY adding to  
25 Article – Tax – Property  
26 Section 7–402 and 8–105(a)(4)  
27 Annotated Code of Maryland  
28 (2019 Replacement Volume and 2020 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,  
2 Article – Tax – Property  
3 Section 8–101(a) and 8–105(a)(1)  
4 Annotated Code of Maryland  
5 (2019 Replacement Volume and 2020 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
7 That the Laws of Maryland read as follows:

8 **Article – Public Utilities**

9 7–306.2.

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

11 (3) “Community solar energy generating system” means a solar energy  
12 system that:

13 (i) is connected to the electric distribution grid serving the State;

14 (ii) is located in the same electric service territory as its subscribers;

15 (iii) is attached to the electric meter of a subscriber or is a separate  
16 facility with its own electric meter;

17 (iv) credits its generated electricity, or the value of its generated  
18 electricity, to the bills of the subscribers to that system through virtual net energy  
19 metering;

20 (v) has at least two subscribers but no limit to the maximum number  
21 of subscribers;

22 (vi) does not have subscriptions larger than 200 kilowatts  
23 constituting more than 60% of its subscriptions;

24 (vii) has a generating capacity that does not exceed 2 megawatts as  
25 measured by the alternating current rating of the system’s inverter; and

26 (viii) may be owned by any person.

27 **Article – Tax – Property**

28 6–302.

29 (b) (1) Except as provided in subsection (c) of this section, §§ 6–305 and 6–306  
30 of this subtitle and § 6–203 of this title:

1 (i) there shall be a single county property tax rate for all real  
2 property subject to county property tax except for operating real property described in §  
3 8-109(c) of this article; [and]

4 (ii) the county tax rate applicable to personal property and the  
5 operating real property described in § 8-109(c) of this article shall be no more than 2.5  
6 times the rate for real property; AND

7 (III) THE COUNTY TAX RATE APPLICABLE TO SOLAR ENERGY  
8 PROPERTY DESCRIBED UNDER § 8-101(C) OF THIS ARTICLE MAY BE A DIFFERENT  
9 RATE FROM THE COUNTY TAX RATE APPLICABLE TO OTHER PERSONAL PROPERTY,  
10 SUBJECT TO THE LIMITATION UNDER ITEM (II) OF THIS PARAGRAPH.

11 **7-402.**

12 (A) IN THIS SECTION, “COMMUNITY SOLAR ENERGY GENERATING SYSTEM”  
13 HAS THE MEANING STATED IN § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE.

14 (B) PERSONAL PROPERTY THAT IS A COMMUNITY SOLAR ENERGY  
15 GENERATING SYSTEM IS NOT SUBJECT TO A COUNTY OR MUNICIPAL CORPORATION  
16 PROPERTY TAX IF THE PERSONAL PROPERTY IS INSTALLED:

17 (1) ON THE ROOFTOP OF A STRUCTURE;

18 (2) OVER A PARKING GARAGE, SURFACE PARKING LOT, OR ROADWAY;

19 OR

20 (3) ON PROPERTY THAT HAS AN EXISTING NONPARASITIC ELECTRIC  
21 LOAD.

22 8-101.

23 (a) For assessment purposes, property shall be divided into classes and  
24 subclasses.

25 (c) Personal property is a class of property and is divided into the following  
26 subclasses:

27 (1) stock in business;

28 (2) distilled spirits;

29 (3) operating personal property of a railroad;

1 (4) operating personal property of a public utility that is machinery or  
2 equipment used to generate electricity or steam for sale;

3 (5) all other operating personal property of a public utility;

4 (6) machinery and equipment, other than operating personal property of a  
5 public utility, that is used to generate:

6 (i) electricity or steam for sale; or

7 (ii) hot or chilled water for sale that is used to heat or cool a building;

8 [and]

9 (7) **SOLAR ENERGY PROPERTY THAT IS INSTALLED TO USE SOLAR  
10 ENERGY TO GENERATE ELECTRICITY, OTHER THAN SOLAR ENERGY PROPERTY  
11 INSTALLED ON THE ROOFTOP OF A STRUCTURE, OVER A PARKING GARAGE, SURFACE  
12 PARKING LOT, OR ROADWAY, OR ON PROPERTY THAT HAS AN EXISTING  
13 NONPARASITIC ELECTRIC LOAD; AND**

14 (8) all other personal property that is directed by this article to be assessed.

15 8–105.

16 (a) (1) Except for land that is actively devoted to farm or agricultural use, the  
17 supervisor:

18 (i) may value income producing real property by using the  
19 capitalization of income method or any other appropriate method of valuing the real  
20 property; and

21 (ii) shall consider an income method in valuing income producing  
22 commercial real property.

23 (4) **IN DETERMINING THE VALUE OF REAL PROPERTY, THE  
24 SUPERVISOR MAY NOT CONSIDER THE VALUE OF INCOME, INCLUDING INCOME  
25 RELATED TO RIGHTS TO USE THE UNDERLYING REAL PROPERTY ATTRIBUTABLE TO  
26 THE INSTALLATION OF A COMMUNITY SOLAR ENERGY GENERATING SYSTEM, AS  
27 DEFINED IN § 7–306.2 OF THE PUBLIC UTILITIES ARTICLE.**

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
29 1, 2021, and shall be applicable to all taxable years beginning after June 30, 2021.