

HOUSE BILL 76

Q1, Q7

(PRE-FILED)

2lr1247
CF SB 264

By: ~~Delegate Smith~~ Delegates Smith, C. Branch, Charles, Ebersole, Feldmark, Palakovich Carr, and Wilkins

Requested: November 1, 2021

Introduced and read first time: January 12, 2022

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2022

CHAPTER _____

1 AN ACT concerning

2 **Community Solar Energy Generating Systems – Exemption From ~~Energy and~~**
3 **Property Taxes**

4 FOR the purpose of exempting certain community solar energy generating systems from
5 ~~local energy taxes and~~ personal property taxes; ~~prohibiting the supervisor of a county~~
6 ~~or a municipal corporation from accepting applications for the exemption after a~~
7 ~~certain date; requiring the State Department of Assessments and Taxation to report~~
8 ~~annually certain information to certain committees of the General Assembly; and~~
9 ~~generally relating to tax exemptions~~ an exemption from the personal property tax
10 for community solar energy generating systems.

11 ~~BY adding to~~
12 ~~Article – Local Government~~
13 ~~Section 20–203 to be under the amended subtitle “Subtitle 2. Limitations on~~
14 ~~Authority to Tax”~~
15 ~~Annotated Code of Maryland~~
16 ~~(2013 Volume and 2021 Supplement)~~

17 BY repealing and reenacting, with amendments,
18 Article – Tax – Property
19 Section 7–237
20 Annotated Code of Maryland
21 (2019 Replacement Volume and 2021 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 ~~Article Local Government~~

4 ~~Subtitle 2. Limitations on Authority to Tax [Advertising].~~

5 ~~20-203.~~

6 (A) (1) ~~IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
7 ~~INDICATED.~~

8 (2) ~~“BROWNFIELD” MEANS:~~

9 (I) ~~A FORMER INDUSTRIAL OR COMMERCIAL SITE IDENTIFIED~~
10 ~~BY FEDERAL OR STATE LAWS OR REGULATIONS AS CONTAMINATED OR POLLUTED;~~

11 (II) ~~A CLOSED MUNICIPAL OR RUBBLE LANDFILL REGULATED~~
12 ~~UNDER A REFUSE DISPOSAL PERMIT BY THE MARYLAND DEPARTMENT OF THE~~
13 ~~ENVIRONMENT; OR~~

14 (III) ~~MINED LANDS AS DEFINED IN COMAR 26.21.01.01.~~

15 (3) ~~“COMMUNITY SOLAR ENERGY GENERATING SYSTEM” HAS THE~~
16 ~~MEANING STATED IN § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE.~~

17 (4) ~~“ELECTRIC COMPANY” HAS THE MEANING STATED IN § 1-101 OF~~
18 ~~THE PUBLIC UTILITIES ARTICLE.~~

19 (B) ~~NOTWITHSTANDING ANY OTHER LAW, A TAX IMPOSED BY A POLITICAL~~
20 ~~SUBDIVISION OF THE STATE ON THE SALE, USE, DELIVERY, DISTRIBUTION,~~
21 ~~PRODUCTION, OR CONSUMPTION OF ENERGY DOES NOT APPLY TO ENERGY~~
22 ~~PRODUCED BY A COMMUNITY SOLAR ENERGY GENERATING SYSTEM THAT:~~

23 (1) ~~PROVIDES AT LEAST 50% OF THE ENERGY IT PRODUCES TO~~
24 ~~LOW OR MODERATE INCOME CUSTOMERS, AS DEFINED IN REGULATIONS OF THE~~
25 ~~PUBLIC SERVICE COMMISSION, AT A COST THAT IS AT LEAST 20% LESS THAN THE~~
26 ~~AMOUNT CHARGED BY THE ELECTRIC COMPANY THAT SERVES THE AREA WHERE~~
27 ~~THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM IS LOCATED; AND~~

28 (2) ~~IS INSTALLED ON A ROOFTOP, PARKING FACILITY CANOPY, OR~~
29 ~~BROWNFIELD.~~

1 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read~~
 2 ~~as follows:~~

3 **Article – Tax – Property**

4 7–237.

5 (a) Except as provided in subsection (b) of this section, personal property is
 6 exempt from property tax if the property is machinery or equipment used to generate:

7 (1) electricity or steam for sale; or

8 (2) hot or chilled water for sale that is used to heat or cool a building.

9 (b) Subject to § 7–514 of this title, **AND EXCEPT AS PROVIDED IN SUBSECTION**
 10 **(C) OF THIS SECTION**, personal property that is machinery or equipment described in
 11 subsection (a) of this section is subject to county or municipal corporation property tax on:

12 (1) 75% of its value for the taxable year beginning July 1, 2000; and

13 (2) 50% of its value for the taxable year beginning July 1, 2001 and each
 14 subsequent taxable year.

15 **(C) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**
 16 **MEANINGS INDICATED.**

17 **(II) “BROWNFIELD” MEANS:**

18 **1. A FORMER INDUSTRIAL OR COMMERCIAL SITE**
 19 **IDENTIFIED BY FEDERAL OR STATE LAWS OR REGULATIONS AS CONTAMINATED OR**
 20 **POLLUTED; OR**

21 **2. A CLOSED MUNICIPAL OR RUBBLE LANDFILL**
 22 **REGULATED UNDER A REFUSE DISPOSAL PERMIT BY THE MARYLAND DEPARTMENT**
 23 **OF THE ENVIRONMENT; OR,**

24 ~~**3. MINED LANDS AS DEFINED IN COMAR 26.21.01.01.**~~

25 **(III) “COMMUNITY SOLAR ENERGY GENERATING SYSTEM” HAS**
 26 **THE MEANING STATED IN § 7–306.2 OF THE PUBLIC UTILITIES ARTICLE.**

27 **(IV) “ELECTRIC COMPANY” HAS THE MEANING STATED IN §**
 28 **1–101 OF THE PUBLIC UTILITIES ARTICLE.**

1 **(2) PERSONAL PROPERTY IS EXEMPT FROM COUNTY OR MUNICIPAL**
 2 **CORPORATION PROPERTY TAX IF THE PROPERTY IS MACHINERY OR EQUIPMENT**
 3 **THAT:**

4 **(I) AS DEFINED IN REGULATION OF THE PUBLIC SERVICE**
 5 **COMMISSION, IS PART OF A COMMUNITY SOLAR ENERGY GENERATING SYSTEM**
 6 **THAT:**

7 **1. HAS A GENERATING CAPACITY THAT DOES NOT**
 8 **EXCEED 2 MEGAWATTS AS MEASURED BY THE ALTERNATING CURRENT RATING OF**
 9 **THE SYSTEM'S INVERTER; AND**

10 **2. PROVIDES AT LEAST 50% OF THE ENERGY IT**
 11 **PRODUCES TO LOW- OR MODERATE-INCOME CUSTOMERS, AS DEFINED IN**
 12 **REGULATIONS OF THE PUBLIC SERVICE COMMISSION, AT A COST THAT IS AT LEAST**
 13 **20% LESS THAN THE AMOUNT CHARGED BY THE ELECTRIC COMPANY THAT SERVES**
 14 **THE AREA WHERE THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM IS**
 15 **LOCATED; AND**

16 **(II) IS INSTALLED ON A ROOFTOP, PARKING FACILITY CANOPY,**
 17 **OR BROWNFIELD.**

18 **(3) PERSONAL PROPERTY THAT RECEIVES AN EXEMPTION UNDER**
 19 **THIS SUBSECTION IS EXEMPT FROM COUNTY OR MUNICIPAL CORPORATION**
 20 **PROPERTY TAX FOR EACH TAXABLE YEAR IN WHICH THE PROPERTY CONTINUES TO**
 21 **MEET THE REQUIREMENTS FOR THE EXEMPTION UNDER PARAGRAPH (2) OF THIS**
 22 **SUBSECTION.**

23 **(4) THE SUPERVISOR OF A COUNTY OR A MUNICIPAL CORPORATION**
 24 **MAY NOT ACCEPT AN APPLICATION FROM A PROPERTY OWNER FOR THE EXEMPTION**
 25 **UNDER THIS SUBSECTION AFTER DECEMBER 31, 2024.**

26 **(5) ON OR BEFORE OCTOBER 1 EACH YEAR, THE DEPARTMENT SHALL**
 27 **REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE**
 28 **WAYS AND MEANS COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE**
 29 **GOVERNMENT ARTICLE, ON THE NUMBER AND LOCATION OF PROJECTS THAT, IN**
 30 **THE IMMEDIATELY PRECEDING TAXABLE YEAR, HAVE RECEIVED THE EXEMPTION**
 31 **UNDER THIS SUBSECTION.**

32 ~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be~~
 33 ~~applicable to all taxable years beginning after June 30, 2022.~~

34 ~~SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take~~
 35 ~~effect July 1, 2022.~~

1 SECTION ~~5~~ 2. AND BE IT FURTHER ENACTED, That, ~~except as provided in~~
2 ~~Section 4 of this Act~~, this Act shall take effect June 1, 2022, and shall be applicable to all
3 taxable years beginning after June 30, 2022.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.