

SENATE BILL 264

Q1, Q7

2lr1398
CF HB 76

By: **Senators Elfreth, McCray, Hershey, Kramer, Augustine, and Feldman**

Introduced and read first time: January 14, 2022

Assigned to: Budget and Taxation

A BILL ENTITLED

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; and generally relating to tax
6 exemptions for community solar energy generating systems.

7 BY adding to

8 Article – Local Government

9 Section 20–203 to be under the amended subtitle “Subtitle 2. Limitations on
10 Authority to Tax”

11 Annotated Code of Maryland

12 (2013 Volume and 2021 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Tax – Property

15 Section 7–237

16 Annotated Code of Maryland

17 (2019 Replacement Volume and 2021 Supplement)

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

20 **Article – Local Government**

21 Subtitle 2. Limitations on Authority to Tax [Advertising].

22 **20–203.**

23 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 INDICATED.

2 (2) "BROWNFIELD" MEANS:

3 (I) A FORMER INDUSTRIAL OR COMMERCIAL SITE IDENTIFIED
4 BY FEDERAL OR STATE LAWS OR REGULATIONS AS CONTAMINATED OR POLLUTED;

5 (II) A CLOSED MUNICIPAL OR RUBBLE LANDFILL REGULATED
6 UNDER A REFUSE DISPOSAL PERMIT BY THE MARYLAND DEPARTMENT OF THE
7 ENVIRONMENT; OR

8 (III) MINED LANDS AS DEFINED IN COMAR 26.21.01.01.

9 (3) "COMMUNITY SOLAR ENERGY GENERATING SYSTEM" HAS THE
10 MEANING STATED IN § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE.

11 (4) "ELECTRIC COMPANY" HAS THE MEANING STATED IN § 1-101 OF
12 THE PUBLIC UTILITIES ARTICLE.

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

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

22 (2) IS INSTALLED ON A ROOFTOP, PARKING FACILITY CANOPY, OR
23 BROWNFIELD.

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

26 **Article – Tax – Property**

27 7-237.

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

30 (1) electricity or steam for sale; or

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

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

5 (1) 75% of its value for the taxable year beginning July 1, 2000; and

6 (2) 50% of its value for the taxable year beginning July 1, 2001 and each
7 subsequent taxable year.

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

10 **(II) "BROWNFIELD" MEANS:**

11 1. **A FORMER INDUSTRIAL OR COMMERCIAL SITE**
12 **IDENTIFIED BY FEDERAL OR STATE LAWS OR REGULATIONS AS CONTAMINATED OR**
13 **POLLUTED;**

14 2. **A CLOSED MUNICIPAL OR RUBBLE LANDFILL**
15 **REGULATED UNDER A REFUSE DISPOSAL PERMIT BY THE MARYLAND DEPARTMENT**
16 **OF THE ENVIRONMENT; OR**

17 3. **MINED LANDS AS DEFINED IN COMAR 26.21.01.01.**

18 **(III) "COMMUNITY SOLAR ENERGY GENERATING SYSTEM" HAS**
19 **THE MEANING STATED IN § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE.**

20 **(IV) "ELECTRIC COMPANY" HAS THE MEANING STATED IN §**
21 **1-101 OF THE PUBLIC UTILITIES ARTICLE.**

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

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

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

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

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

7 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section
8 4 of this Act, this Act shall take effect June 1, 2022.