

# SENATE BILL 860

Q1

(2lr2875)

## ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Senator King**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Property Tax – Solar Energy – School Construction and Property Tax –~~  
3 ~~Community Solar Energy Generating Systems – Agrivoltaics – Agrivoltaics~~

4 FOR the purpose of ~~requiring a local school system constructing a school to consider~~  
5 ~~whether the school should be constructed with solar panels on the roof;~~ exempting  
6 certain community solar energy generating systems from personal property taxes;  
7 requiring the Department of Assessments and Taxation to assess certain land used  
8 by a community solar energy generating system in a certain manner; requiring the  
9 governing body of a county or a municipal corporation to grant a tax credit against  
10 the property tax imposed on certain real property on which a community solar energy  
11 generating system is installed; establishing a tax credit against the State property  
12 tax on certain real property on which a community solar energy generating system  
13 is installed; requiring the Maryland Energy Administration to study the  
14 effectiveness of this Act and report to the General Assembly on or before a certain

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#### 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.

*Italics indicate opposite chamber / conference committee amendments.*



1 date; and generally relating to *property taxes and community* ~~property taxes and~~  
 2 ~~community~~ solar energy *generating systems* ~~generating systems~~.

3 ~~BY repealing and reenacting, with amendments,~~

4 ~~Article – Education~~

5 ~~Section 5–312(e)~~

6 ~~Annotated Code of Maryland~~

7 ~~(2018 Replacement Volume and 2021 Supplement)~~

8 BY repealing and reenacting, with amendments,

9 Article – Tax – Property

10 Section 7–237 and 8–209(e)

11 Annotated Code of Maryland

12 (2019 Replacement Volume and 2021 Supplement)

13 BY adding to

14 Article – Tax – Property

15 Section 9–112

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 – Education~~

21 ~~5–312.~~

22 ~~(c) (1) [Except] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AND~~  
 23 ~~EXCEPT as provided in subsection (d) of this section, a new school that receives State public~~  
 24 ~~school construction funds shall be constructed to be a high performance building.~~

25 ~~(2) (i) FOR EACH SCHOOL CONSTRUCTED BY A LOCAL SCHOOL~~  
 26 ~~SYSTEM FROM JULY 1, 2024, THROUGH JUNE 30, 2033, INCLUSIVE, THE LOCAL~~  
 27 ~~SCHOOL SYSTEM SHALL CONSIDER WHETHER THE SCHOOL SHOULD BE~~  
 28 ~~CONSTRUCTED WITH SOLAR PANELS ON THE ROOF OF THE SCHOOL.~~

29 ~~(ii) IF, AFTER CONSIDERING INSTALLING SOLAR PANELS~~  
 30 ~~UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH, A LOCAL SCHOOL SYSTEM DECIDES~~  
 31 ~~NOT TO CONSTRUCT SOLAR PANELS ON THE ROOF OF THE SCHOOL, THE LOCAL~~  
 32 ~~SCHOOL SYSTEM SHALL PROVIDE TO THE INTERAGENCY COMMISSION~~  
 33 ~~INFORMATION REGARDING WHY THE SCHOOL SYSTEM CHOSE NOT TO CONSTRUCT~~  
 34 ~~SOLAR PANELS ON THE ROOF OF THE SCHOOL.~~

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



1           **(2) THIS SUBSECTION APPLIES ~~TO~~ THROUGH THE LIFE CYCLE OF A**  
 2 **COMMUNITY SOLAR ENERGY GENERATING SYSTEM THAT:**

3                   **(I) IS PLACED IN SERVICE AFTER JUNE 30, 2022; AND**

4                   **(II) HAS BEEN APPROVED ON OR BEFORE DECEMBER 31, 2025,**  
 5 **BY THE PUBLIC SERVICE COMMISSION UNDER § 7-306.2 OF THE PUBLIC UTILITIES**  
 6 **ARTICLE ~~THROUGH THE LIFE CYCLE OF A SYSTEM.~~**

7           **(3) PERSONAL PROPERTY IS EXEMPT FROM COUNTY OR MUNICIPAL**  
 8 **CORPORATION PROPERTY TAX IF THE PROPERTY IS MACHINERY OR EQUIPMENT**  
 9 **THAT IS PART OF A COMMUNITY SOLAR ENERGY GENERATING SYSTEM THAT:**

10                   **(I) PROVIDES AT LEAST 50% OF THE ENERGY IT PRODUCES TO**  
 11 **LOW- OR MODERATE-INCOME CUSTOMERS AT A COST THAT IS AT LEAST 20% LESS**  
 12 **THAN THE AMOUNT CHARGED BY THE ELECTRIC COMPANY THAT SERVES THE AREA**  
 13 **WHERE THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM IS LOCATED; AND**

14                   ~~(II)~~ **1.** IS USED FOR AGRIVOLTAICS; OR

15                   ~~(II)~~ **2.** IS INSTALLED ON A ROOFTOP, BROWNFIELD, **PARKING**  
 16 **FACILITY CANOPY, LANDFILL, OR CLEAN FILL.**

17 8-209.

18           (e) (1) **(I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**  
 19 **MEANINGS INDICATED.**

20                   **(II) “AGRIVOLTAICS” HAS THE MEANING STATED IN § 7-237 OF**  
 21 **THIS ARTICLE.**

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

24           **(2) [The] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS**  
 25 **SUBSECTION, THE Department shall establish in regulations criteria to determine if land**  
 26 **that appears to be actively used for farm or agricultural purposes:**

27                   (i) is actually used for farm or agricultural purposes; and

28                   (ii) qualifies for assessment under this section.

29           **[(2)] (3) The criteria shall include:**

30                   (i) the zoning of the land;

1 (ii) the present and past use of the land including land under the Soil  
2 Bank Program of the United States;

3 (iii) the productivity of the land, including timberlands and  
4 reforested lands; and

5 (iv) the gross income that is derived from the agricultural activity.

6 (4) (I) **THIS PARAGRAPH APPLIES ~~TO~~ THROUGH THE LIFE CYCLE**  
7 **OF A COMMUNITY SOLAR ENERGY GENERATING SYSTEM THAT:**

8 **1. IS PLACED IN SERVICE AFTER JUNE 30, 2022; AND**

9 **2. HAS BEEN APPROVED ON OR BEFORE DECEMBER 31,**  
10 **2025, AS A COMMUNITY SOLAR ENERGY GENERATING SYSTEM BY THE PUBLIC**  
11 **SERVICE COMMISSION UNDER § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE**  
12 **THROUGH THE LIFE CYCLE OF A SYSTEM.**

13 (II) **THE DEPARTMENT SHALL ASSESS AND QUALIFY LAND THAT**  
14 **IS USED BY A COMMUNITY SOLAR ENERGY GENERATING SYSTEM FOR AGRIVOLTAICS**  
15 **AS LAND THAT IS ACTIVELY USED FOR FARM OR AGRICULTURAL PURPOSES.**

16 **9-112.**

17 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
18 **INDICATED.**

19 (2) **“BROWNFIELD” HAS THE MEANING STATED IN § 7-237 OF THIS**  
20 **ARTICLE.**

21 (3) **“QUALIFIED PROPERTY” MEANS A BROWNFIELD, LANDFILL, OR**  
22 **CLEAN FILL ON WHICH A COMMUNITY SOLAR ENERGY GENERATING SYSTEM, AS**  
23 **DEFINED UNDER § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE, IS INSTALLED.**

24 (B) (1) **THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY AND THE**  
25 **GOVERNING BODY OF EACH COUNTY AND OF EACH MUNICIPAL CORPORATION SHALL**  
26 **GRANT A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY OR**  
27 **MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON A QUALIFIED PROPERTY.**

28 (2) **IN ADDITION TO THE PROPERTY TAX CREDIT PROVIDED UNDER**  
29 **PARAGRAPH (1) OF THIS SUBSECTION, THERE IS A CREDIT AGAINST THE STATE**  
30 **PROPERTY TAX THAT IS IMPOSED ON QUALIFIED PROPERTY.**

1 (C) THE AMOUNT OF THE PROPERTY TAX CREDIT ALLOWED UNDER THIS  
 2 SECTION SHALL EQUAL 50% OF THE STATE, COUNTY, OR MUNICIPAL CORPORATION  
 3 PROPERTY TAX THAT IS IMPOSED ON THE ELIGIBLE ASSESSMENT OF QUALIFIED  
 4 PROPERTY.

5 (D) THE PROPERTY TAX CREDIT UNDER THIS SECTION MAY BE GRANTED  
 6 ~~ONLY FOR QUALIFIED PROPERTY ON WHICH THE INSTALLATION OF A~~ THROUGH THE  
 7 LIFE CYCLE OF A COMMUNITY SOLAR ENERGY GENERATING SYSTEM IF THE SYSTEM  
 8 INSTALLED ON THE QUALIFIED PROPERTY:

9 (1) IS PLACED IN SERVICE AFTER JUNE 30, 2022; AND

10 (2) HAS BEEN APPROVED BY THE PUBLIC SERVICE COMMISSION  
 11 UNDER § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE ON OR BEFORE DECEMBER  
 12 ~~31, 2025, THROUGH THE LIFE CYCLE OF THE SYSTEM.~~

13 (E) ON OR BEFORE JUNE 15 EACH YEAR, THE DEPARTMENT SHALL SUBMIT  
 14 TO THE PUBLIC SERVICE COMMISSION A LIST THAT INCLUDES:

15 (1) THE LOCATION OF EACH QUALIFIED PROPERTY;

16 (2) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH QUALIFIED  
 17 PROPERTY; AND

18 (3) THE AMOUNT OF THE PROPERTY TAX ASSESSED AGAINST EACH  
 19 QUALIFIED PROPERTY.

20 SECTION ~~2~~ ~~3~~ 2. AND BE IT FURTHER ENACTED, That:

21 (a) The Maryland Energy Administration shall study the effectiveness of the tax  
 22 incentives established in ~~Section 2 of~~ this Act on encouraging community solar energy  
 23 generating systems to be installed on rooftops, brownfields, landfills, and clean fills and  
 24 used for agrivoltaics.

25 (b) On or before December 31, 2024, the Maryland Energy Administration shall  
 26 report to the General Assembly, in accordance with § 2-1257 of the State Government  
 27 Article, on its findings and recommendations based on the study conducted under this  
 28 section.

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

31 SECTION ~~2~~ ~~5~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 32 June 1, 2022, and shall be applicable to all taxable years beginning after June 30, 2022, and  
 33 ~~shall be applicable to all taxable years beginning after June 30, 2022.~~