

Chapter 545

(Senate Bill 469)

AN ACT concerning

Task Force to Study Solar ~~Tax~~ Incentives

FOR the purpose of establishing the Task Force to Study Solar ~~Tax~~ Incentives; and generally relating to solar ~~tax~~ incentives.

Preamble

WHEREAS, The State has set a State renewable energy goal; and

WHEREAS, The General Assembly recognizes the need to preserve the State's prime agricultural land for agricultural production; and

WHEREAS, The General Assembly recognizes the need to preserve forest land and tree canopy for clean air and clean water; now, therefore,

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

- (a) There is a Task Force to Study Solar ~~Tax~~ Incentives.
- (b) The Task Force consists of the following members:
 - (1) two members of the Senate of Maryland, appointed by the President of the Senate;
 - (2) two members of the House of Delegates, appointed by the Speaker of the House;
 - (3) the Director of the Maryland Energy Administration, or the Director's designee;
 - (4) the Chairman of the Public Service Commission, or the Chairman's designee;
 - (5) the Director of the State Department of Assessments and Taxation, or the Director's designee;
 - (6) three representatives of the Maryland Association of Counties representing rural, suburban, and urban counties, respectively, designated by the Maryland Association of Counties;

(7) two representatives of organized labor, designated by the Maryland State and District of Columbia AFL–CIO;

(8) one representative of the Office of People’s Counsel, designated by the People’s Counsel;

(9) two representatives of the construction industry, including:

(i) one representative designated by the Maryland Minority Contractors Association; and

(ii) one representative designated by the Associated Builders and Contractors of Maryland;

~~(7) (9)~~ (10) one representative of the Maryland Municipal League, designated by the Maryland Municipal League; and

~~(8) (10)~~ (11) four representatives of the solar energy industry, appointed by the Governor, including:

(i) ~~at least~~ one representative with a history of working with solar panels installed on *residential* rooftops;

(ii) ~~at least~~ one representative with a history of working with solar panels installed on the ground; and

(iii) ~~at least~~ one representative with a history of working with community solar energy generation *serving low- and moderate-income solar customers; and*

(iv) *one representative with a history of working with aggregate net metered solar energy generation; and*

(12) *two representatives of environmental advocacy groups, appointed by the Governor.*

(c) *To the extent practicable, the membership of the Task Force shall reflect the racial, gender, ethnic, and geographic diversity of the State, according to the most recent census data.*

~~(e)~~ (d) The Director of the Maryland Energy Administration shall designate the chair of the Task Force.

~~(d)~~ (e) The Maryland Energy Administration shall provide staff for the Task Force.

~~(e)~~ (f) A member of the Task Force:

(1) may not receive compensation as a member of the Task Force; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

~~(f) (g) The Task Force shall study and make recommendations regarding a tax strategy that is more competitive than the State's current strategy to maximize the installation of rooftop solar panels and community solar energy generating systems, to facilitate and promote installation of grid-connected generation of renewable energy, and to meet the State's renewable energy goals;~~

(1) study:

(i) the impact of solar grant programs, tax credits and exemptions, classification of solar energy property for assessment purposes, solar renewable energy credits, and other financial incentives on the State's ability to meet the solar energy goals established in the State's renewable energy portfolio standard under § 7-703 of the Public Utilities Article;

(ii) the impact of federal solar energy incentives and how to maximize the benefit of federal solar energy incentives in Maryland;

(iii) how the solar alternative compliance fee under § 7-705 of the Public Utilities Article is calculated and its market relationship to the value of solar renewable energy credits; and

(iv) whether different levels or types of incentives should exist for different types of solar development, including customer-sited residential and nonresidential, aggregated net metered, community, and utility scale, based on cost variance and other factors; and

(2) make recommendations regarding measures and incentives needed to ensure:

(i) that the State meets the solar energy goals established in the State's renewable energy portfolio standard;

(ii) minority business enterprise participation in solar development in the State;

(iii) that solar development in the State creates good quality, family-sustaining jobs with training and outreach focused on the communities in which solar development is occurring;

(iv) equitable access to renewable energy in the State; and

(v) the efficient use of land in the State by maximizing the production of solar energy on previously developed property, including rooftops, parking canopies, and brownfields sites or energy or transportation rights of way.

~~(g)~~ (h) On or before December 15, 2023, the Task Force shall report its findings and recommendations, in accordance with § 2-1257 of the State Government Article, to the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2023. It shall remain effective for a period of 1 year and, at the end of June 30, 2024, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 8, 2023.