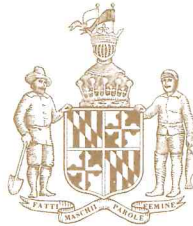


STEPHEN S. HERSHEY, JR.  
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Caroline, Cecil, Kent, and  
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MINORITY WHIP

Finance Committee

Executive Nominations Committee



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*The Senate of Maryland*  
ANNAPOLIS, MARYLAND 21401

February 18, 2020

The Honorable Guy Guzzone  
Budget and Taxation Committee  
Senate Bill 954 Property Tax – Solar Energy Systems

Dear Chairman and Members of the Committee:

Senate Bill 954 puts more focus on community solar projects and is meant to incentivize the development of roof top and brownfield solar projects. Because of their relatively smaller size, when compared to utility scale projects, Community Solar Projects are targeted to commercial roof top and brownfield locations.

Last year the General Assembly passed the Clean Energy Jobs Act, which dramatically increased the State's goals for renewable energy including the carve out for solar energy. The expected spike in SRECs eased the developer's economic burdens, but because we have failed to differentiate a utility scale SREC, the pressure to develop projects on greenfield and agriculture farm lands is now more intense.

Senate Bill 954 attempts to address that by providing a statewide personal property tax exemption for community solar projects installed on rooftops.

This is done in two ways:

1. Community solar equipment installed on a roof top is not subject to a County or Municipal personal property tax.
2. That same solar generating equipment installed on a rooftop is not subject to an increased value when assessing the building.

This bill does not provide the tax exemptions of community solar projects that are ground mounted systems.

Finally, in order for the Counties to make up any perceived lost revenue from the rooftop systems, the counties may assess a personal property tax rate different from its current rate to larger utility scale solar projects.

I request the committee's favorable support of Senate Bill 954