



House Bill 1039

Property Tax - Community Solar Energy Generating Systems - Agrivoltaics

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Budget and Taxation Committee

Date: March 29, 2022

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1039 **WITH AMENDMENTS**. This bill would generally grant broad tax exemptions for specified community solar energy generating systems.

MACo is concerned with the carryover county fiscal effects of this legislation and would prefer approaches that provide local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources.

MACo generally supports legislation that provides local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources. Mandated tax exemptions require counties to forego meaningful local revenues to support essential public services, even if the exemptions do not serve their best interests.

HB 1039 would exempt specified community solar energy generating system property from the county or municipal personal property tax, including agrivoltaic systems and equipment installed on a rooftop, brownfield, landfill, or clean fill. In addition, the bill would require local governments to grant a prescriptive property tax credit for property on which a qualified community solar generating system is installed.

Counties stand ready to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives, but resist state-mandated changes that preclude local input. As such, MACo urges amendments to authorize rather than mandate the property tax exemptions and credits for specified solar property.

Accordingly, MACo urges the Committee to give a **FAVORABLE WITH AMENDMENTS** report on HB 1039.