



## **House Bill 76**

### *Community Solar Energy Generating Systems - Exemption From Energy and Property Taxes*

MACo Position: **SUPPORT**  
**WITH AMENDMENTS**

Date: January 19, 2022

To: Ways & Means Committee

From: Kevin Kinnally and  
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The Maryland Association of Counties (MACo) **SUPPORTS** HB 76 **WITH AMENDMENTS**. This bill would exempt a community solar generating system from local energy and personal property taxes under specified circumstances.

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

Under the bill, a community solar energy generating system installed on a rooftop, parking canopy, or brownfield would be exempt from local energy and personal property taxes. In addition, to be eligible, the system must deliver at least 50 percent of the energy it produces to low- or moderate-income customers at a discounted rate.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are best positioned to make decisions on local affairs – ranging from land use to budget priorities.

MACo would appreciate broad flexibility to enact solar tax incentives locally, as many counties are promoting solar projects on rooftops, brownfields, or less desirable lands as alternatives to large-scale energy generation facilities. However, especially as community solar becomes more viable, this bill could significantly undermine local revenues and support for essential services and community needs.

As such, MACo urges a "local option amendment" to allow each jurisdiction that chooses to enact these incentives flexibility to meet specific local needs and priorities. Additionally, this will give each county broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits encouraged by the bill.

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.

Accordingly, MACo urges the Committee to give a **FAVORABLE WITH AMENDMENTS** report on HB 76, creating local discretion and potentially even broader flexibility.