



## House Bill 1111

### *Public Utilities - Solar Energy Generating Systems - Floating Systems and Systems Located on Brownfields*

MACo Position: **OPPOSE**

To: Economic Matters Committee

Date: February 21, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES HB 1111**, which exempts floating solar systems and brownfield solar projects from local property taxation. Counties support expanding renewable energy, particularly on underused sites, but this bill eliminates a critical local revenue source without providing a way for counties to secure fiscal contributions from these projects — despite their profitability and long-term commercial benefits.

**MACo is working with the bill sponsor on amendments to ensure counties can decide whether to provide tax benefits for these projects. A blanket tax exemption removes local decision-making and shifts costs onto county budgets and residents. Allowing a local option property tax credit ensures counties can encourage renewable energy projects while balancing fiscal needs.**

Counties support the expansion of solar energy but must also balance fiscal responsibilities for infrastructure, emergency services, and community development. With growing budgetary pressures, eliminating this revenue source without a viable alternative would further strain local limited resources and limit essential services.

Floating solar remains a new and evolving technology. The bill permanently removes these systems from the tax base before counties can evaluate their long-term impact. Local governments must be able to assess these projects as they develop, rather than lose control over local revenues through a one-size-fits-all tax exemption.

Maryland has long promoted renewable energy while ensuring counties retain authority over local revenues. This bill departs from that balanced approach, overriding local discretion without considering the broader fiscal implications.

Accordingly, MACo urges an **UNFAVORABLE** report on HB 1111 as currently drafted. MACo is committed to working with the bill sponsor and stakeholders to ensure counties retain the necessary tools to manage their fiscal health while supporting Maryland's renewable energy goals. A more flexible approach that allows for proper local input rather than a blanket exemption will better serve residents and communities.