

SENATE BILL 860

Q1

2lr2875
CF 2lr2474

By: Senator King

Introduced and read first time: February 7, 2022

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Community Solar Energy Generating Systems – Agrivoltaics**

3 FOR the purpose of exempting certain community solar energy generating systems from
4 personal property taxes; requiring the Department of Assessments and Taxation to
5 assess certain land used by a community solar energy generating system in a certain
6 manner; requiring the governing body of a county or a municipal corporation to grant
7 a tax credit against the property tax imposed on certain real property on which a
8 community solar energy generating system is installed; establishing a tax credit
9 against the State property tax on certain real property on which a community solar
10 energy generating system is installed; requiring the Maryland Energy
11 Administration to study the effectiveness of this Act and report to the General
12 Assembly on or before a certain date; and generally relating to property taxes and
13 community solar energy generating systems.

14 BY repealing and reenacting, with amendments,

15 Article – Tax – Property

16 Section 7–237 and 8–209(e)

17 Annotated Code of Maryland

18 (2019 Replacement Volume and 2021 Supplement)

19 BY adding to

20 Article – Tax – Property

21 Section 9–112

22 Annotated Code of Maryland

23 (2019 Replacement Volume and 2021 Supplement)

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

25 That the Laws of Maryland read as follows:

26 **Article – Tax – Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 7-237.

2 (a) Except as provided in subsection (b) of this section, personal property is
3 exempt from property tax if the property is machinery or equipment used to generate:

4 (1) electricity or steam for sale; or

5 (2) hot or chilled water for sale that is used to heat or cool a building.

6 (b) Subject to § 7-514 of this title, **AND EXCEPT AS PROVIDED IN SUBSECTION**
7 **(C) OF THIS SECTION**, personal property that is machinery or equipment described in
8 subsection (a) of this section is subject to county or municipal corporation property tax on:

9 (1) 75% of its value for the taxable year beginning July 1, 2000; and

10 (2) 50% of its value for the taxable year beginning July 1, 2001 and each
11 subsequent taxable year.

12 (c) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
13 MEANINGS INDICATED.

14 (ii) "AGRIVOLTAICS" MEANS THE SIMULTANEOUS USE OF
15 AREAS OF LAND FOR BOTH SOLAR POWER GENERATION AND AGRICULTURE.

16 (iii) "BROWNFIELD" MEANS:

17 1. A FORMER INDUSTRIAL OR COMMERCIAL SITE
18 IDENTIFIED BY FEDERAL OR STATE LAWS OR REGULATIONS AS CONTAMINATED OR
19 POLLUTED;

20 2. A CLOSED MUNICIPAL OR RUBBLE LANDFILL
21 REGULATED UNDER A REFUSE DISPOSAL PERMIT BY THE DEPARTMENT OF THE
22 ENVIRONMENT; OR

23 3. MINED LANDS AS DEFINED IN COMAR 26.21.01.01.

24 (iv) "COMMUNITY SOLAR ENERGY GENERATING SYSTEM" HAS
25 THE MEANING STATED IN § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE.

26 (2) THIS SUBSECTION APPLIES TO A COMMUNITY SOLAR ENERGY
27 GENERATING SYSTEM THAT HAS BEEN APPROVED ON OR BEFORE DECEMBER 31,
28 2025, BY THE PUBLIC SERVICE COMMISSION UNDER § 7-306.2 OF THE PUBLIC
29 UTILITIES ARTICLE THROUGH THE LIFE CYCLE OF A SYSTEM.

4 (I) IS USED FOR AGRIVOLTAICS; OR

5 (II) IS INSTALLED ON A ROOFTOP, BROWNFIELD, LANDFILL, OR
6 CLEAN FILL.

7 8-209.

10 (II) "AGRIVOLTAICS" HAS THE MEANING STATED IN § 7-237 OF
11 THIS ARTICLE.

12 (III) "COMMUNITY SOLAR ENERGY GENERATING SYSTEM" HAS
13 THE MEANING STATED IN § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE.

17 (i) is actually used for farm or agricultural purposes; and

18 (ii) qualifies for assessment under this section.

19 [2] (3) The criteria shall include:

20 (i) the zoning of the land;

(ii) the present and past use of the land including land under the Soil Bank Program of the United States;

23 (iii) the productivity of the land, including timberlands and
24 reforested lands; and

25 (iv) the gross income that is derived from the agricultural activity.

4 9-112.

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
6 INDICATED.

7 (2) "BROWNFIELD" HAS THE MEANING STATED IN § 7-237 OF THIS
8 ARTICLE.

12 (B) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY AND THE
13 GOVERNING BODY OF EACH COUNTY AND OF EACH MUNICIPAL CORPORATION SHALL
14 GRANT A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY OR
15 MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON A QUALIFIED PROPERTY.

19 (C) THE AMOUNT OF THE PROPERTY TAX CREDIT ALLOWED UNDER THIS
20 SECTION SHALL EQUAL 50% OF THE STATE, COUNTY, OR MUNICIPAL CORPORATION
21 PROPERTY TAX THAT IS IMPOSED ON THE ELIGIBLE ASSESSMENT OF QUALIFIED
22 PROPERTY.

23 (D) THE PROPERTY TAX CREDIT UNDER THIS SECTION MAY BE GRANTED
24 ONLY FOR QUALIFIED PROPERTY ON WHICH THE INSTALLATION OF A COMMUNITY
25 SOLAR ENERGY GENERATING SYSTEM HAS BEEN APPROVED BY THE PUBLIC
26 SERVICE COMMISSION UNDER § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE ON OR
27 BEFORE DECEMBER 31, 2025, THROUGH THE LIFE CYCLE OF THE SYSTEM.

28 (E) ON OR BEFORE JUNE 15 EACH YEAR, THE DEPARTMENT SHALL SUBMIT
29 TO THE PUBLIC SERVICE COMMISSION A LIST THAT INCLUDES:

30 (1) THE LOCATION OF EACH QUALIFIED PROPERTY;

(2) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH QUALIFIED

1 PROPERTY; AND

2 (3) THE AMOUNT OF THE PROPERTY TAX ASSESSED AGAINST EACH
3 QUALIFIED PROPERTY.

4 SECTION 2. AND BE IT FURTHER ENACTED, That:

5 (a) The Maryland Energy Administration shall study the effectiveness of the tax
6 incentives established in this Act on encouraging community solar energy generating
7 systems to be installed on rooftops, brownfields, landfills, and clean fills and used for
8 agrivoltaics.

9 (b) On or before December 31, 2024, the Maryland Energy Administration shall
10 report to the General Assembly, in accordance with § 2-1257 of the State Government
11 Article, on its findings and recommendations based on the study conducted under this
12 section.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
14 1, 2022, and shall be applicable to all taxable years beginning after June 30, 2022.