

HB0908/113023/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 908
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “**Program**” insert “**and Property Taxes**”; strike beginning with “repealing” in line 21 down through “address;” in line 22 and substitute “prohibiting certain subscription rates and charges from being set at more than a certain amount; establishing certain prevailing wage or labor requirements for developers of certain community solar energy generating system projects;”; in line 23, after “purpose;” insert “altering the personal property tax exemption for certain community solar energy generating systems;”; and in lines 23 and 24, strike “the Community Solar Energy Generating Systems Program” and substitute “community solar energy generating systems”.

On page 2, after line 2, insert:

“BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 7–237

Annotated Code of Maryland

(2019 Replacement Volume and 2022 Supplement)

(As enacted by Chapters 38, 415, 658, and 659 of 2022)”.

AMENDMENT NO. 2

On page 2, in line 9, strike “**AGRICULTURE**” and substitute “:

**(I) RAISING GRAINS, FRUITS, HERBS, MELONS,
MUSHROOMS, NUTS, SEEDS, TOBACCO, OR VEGETABLES;**

(II) RAISING POULTRY, INCLUDING CHICKENS AND TURKEYS,
FOR MEAT OR EGG PRODUCTION;

(III) DAIRY PRODUCTION, SUCH AS THE RAISING OF MILKING
COWS;

(IV) RAISING LIVESTOCK, INCLUDING CATTLE, SHEEP,
GOATS, OR PIGS;

(V) HORSE BOARDING, BREEDING, OR TRAINING;

(VI) TURF FARMING;

(VII) RAISING ORNAMENTAL SHRUBS, PLANTS, OR FLOWERS,
INCLUDING AQUATIC PLANTS;

(VIII) AQUACULTURE;

(IX) SILVICULTURE; OR

(X) ANY OTHER ACTIVITY RECOGNIZED BY THE
DEPARTMENT OF AGRICULTURE AS AN AGRICULTURAL ACTIVITY”.

On page 3, in line 4, after “TO” insert “COMMUNITY SOLAR ENERGY
GENERATING SYSTEMS CONSTRUCTED UNDER”; strike beginning with the first
“THE” in line 6 down through “SYSTEM” in line 7 and substitute “A NONPROFIT
ORGANIZATION”; and in line 15, strike “RECEIVED”.

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On page 4, in line 9, strike “OCTOBER” and substitute “JULY”; and in the same line, after “2023” insert “, AND EFFECTIVE UNTIL THE START OF THE PROGRAM ESTABLISHED UNDER SUBSECTION (D)(20) OF THIS SECTION”.

On page 7, in line 25, after “ALL” insert “COMMUNITY SOLAR ENERGY”.

On page 8, in line 10, strike the colon; in line 11, strike “A.”; in the same line, after “ALL” insert “COMMUNITY SOLAR ENERGY”; in line 12, strike the semicolon; in line 13, after “AND” insert a colon; in line 14, strike “B.” and substitute “A.”; in line 16, strike “OR” and substitute “;”

B. FOR A SITE WITHOUT A COMMUNITY SOLAR ENERGY GENERATING SYSTEM INSTALLED BEFORE THE START OF THE PROGRAM UNDER PARAGRAPH (20) OF THIS SUBSECTION, ALL OF THE COMMUNITY SOLAR ENERGY GENERATING SYSTEMS INSTALLED AFTER THE START OF THE PROGRAM ARE USED FOR AGRIVOLTAICS; OR

C. FOR A SITE WITH A COMMUNITY SOLAR ENERGY GENERATING SYSTEM INSTALLED BEFORE THE START OF THE PROGRAM UNDER PARAGRAPH (20) OF THIS SUBSECTION, EACH NEW COMMUNITY SOLAR ENERGY GENERATING SYSTEM INSTALLED AFTER THE START OF THE PROGRAM;

in line 18, after “SUBSCRIBER” insert “OR A COMMUNITY SOLAR ENERGY GENERATING SYSTEM REPRESENTED BY THE SUBSCRIBER ORGANIZATION OR SUBSCRIPTION COORDINATOR”; in line 24, after “(16)” insert “(I)”; in the same line, after “A” insert “REASONABLE”; in line 26, after “BILLING” insert a period; in the same line, strike “IF THE FEE DOES” and substitute:

“(II) THE FEE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY;

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in the same line, after the second “THE” insert “BILL”; and in line 27, after “SUBSCRIBER” insert “UNLESS THE COMMISSION DETERMINES A HIGHER FEE IS JUST AND REASONABLE BASED ON SUBSTANTIAL EVIDENCE PRESENTED BY THE ELECTRIC COMPANY.”

(III) AN ELECTRIC COMPANY MAY ADJUST THE FEE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH NOT MORE THAN ONCE PER YEAR.

(IV) THE FEE FOR CONSOLIDATED BILLING ASSESSED TO A SUBSCRIBER ORGANIZATION OR SUBSCRIPTION COORDINATOR MAY NOT EXCEED THE FEE THAT WAS IN EFFECT WHEN THE SUBSCRIBER ORGANIZATION OR SUBSCRIPTION COORDINATOR ELECTED FOR THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM REPRESENTED BY THE SUBSCRIBER ORGANIZATION OR SUBSCRIPTION COORDINATOR TO PARTICIPATE IN CONSOLIDATED BILLING”.

On page 9, in line 2, strike “ON SEPTEMBER 30, 2023,”.

On page 10, in line 11, strike “OCTOBER 1, 2024” and substitute “JANUARY 1, 2025”; in line 26, strike “CUSTOMER” and substitute “SUBSCRIBER ORGANIZATION OR SUBSCRIPTION COORDINATOR”; strike beginning with the comma in line 26 down through “SYSTEM,” in line 27 and substitute “THE”; in the same line, after “INCOME” insert “OF A PROSPECTIVE SUBSCRIBER”; in line 30, after “SELF-ATTESTATION” insert “BY THE PROSPECTIVE SUBSCRIBER”; and in line 32, strike “PROVIDING” and substitute “REQUIRING THE PROSPECTIVE SUBSCRIBER TO PROVIDE”.

On page 12, in line 3, after “USE” insert “:

1. BILL CREDITS APPLIED AS A REDUCTION IN METERED KILOWATT-HOURS; OR

2.”;

in the same line, after “MONETARY” insert “BILL”; in line 18, strike “OCTOBER 1, 2024” and substitute “JULY 1, 2025”; in line 22, strike “APRIL” and substitute “JULY”; in line 24, after “COMPANIES” insert “THAT MUST BE IN EFFECT BY JANUARY 1, 2026”; in the same line, after “INCLUDING” insert “PROTOCOLS FOR”; and in the same line, strike “PROTOCOLS” and substitute “OR NET CREDITING”.

On page 13, in line 11, strike “APRIL 1, 2025” and substitute “JANUARY 1, 2026”; and in line 26, strike the bracket.

On page 14, in line 3, strike “(g) After termination of the pilot program,]” and substitute “(3)”; in line 15, after “(1)” insert “(I)”; after line 18, insert:

“(II) A SUBSCRIBER ORGANIZATION OR SUBSCRIPTION COORDINATOR SHALL:

1. VERIFY THE ELIGIBILITY OF AN LMI SUBSCRIBER IN ACCORDANCE WITH SUBSECTION (F)(1)(IV) OF THIS SECTION; AND

2. RETAIN RECORDS OF EACH DETERMINATION OF ELIGIBILITY FOR AN LMI SUBSCRIBER TO BE MADE AVAILABLE TO THE COMMISSION ON REQUEST.”;

and after line 34, insert:

“(M) A SUBSCRIBER ORGANIZATION OR SUBSCRIPTION COORDINATOR MAY NOT CHARGE A RESIDENTIAL SUBSCRIBER WHO IS NOT PARTICIPATING IN CONSOLIDATED BILLING A SUBSCRIPTION RATE THAT IS MORE THAN THE

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MONETARY VALUE OF THE BILL CREDIT ON A BILL ISSUED BY THE ELECTRIC COMPANY TO THE SUBSCRIBER FOR ELECTRIC SERVICE.

(N) A SUBSCRIBER ORGANIZATION OR SUBSCRIPTION COORDINATOR THAT ELECTS FOR A SUBSCRIBER TO PARTICIPATE IN CONSOLIDATED BILLING MAY NOT SET A SUBSCRIPTION CHARGE THAT IS MORE THAN THE MONETARY VALUE OF THE BILL CREDIT ON A BILL ISSUED BY THE ELECTRIC COMPANY TO THE SUBSCRIBER.

(O) THE DEVELOPER OF A COMMUNITY SOLAR ENERGY GENERATING SYSTEM WITH A GENERATING CAPACITY OVER 1 MEGAWATT, AS MEASURED IN ALTERNATING CURRENT, SHALL ENSURE THAT WORKERS ARE PAID NOT LESS THAN THE PREVAILING WAGE RATE DETERMINED UNDER TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, UNLESS THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM IS SUBJECT TO A PROJECT LABOR AGREEMENT THAT:

(1) BINDS ALL CONTRACTORS AND SUBCONTRACTORS ON THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM THROUGH THE INCLUSION OF SPECIFICATIONS IN ALL RELEVANT SOLICITATION PROVISIONS AND CONTRACT DOCUMENTS;

(2) ALLOWS ALL CONTRACTORS AND SUBCONTRACTORS TO COMPETE FOR CONTRACTS AND SUBCONTRACTS ON THE PROJECT WITHOUT REGARD TO WHETHER THEY ARE OTHERWISE PARTIES TO COLLECTIVE BARGAINING AGREEMENTS;

(3) ESTABLISHES UNIFORM TERMS AND CONDITIONS OF EMPLOYMENT FOR ALL CONSTRUCTION LABOR EMPLOYED ON THE PROJECTS;

(4) GUARANTEES AGAINST STRIKES, LOCKOUTS, AND SIMILAR JOB DISRUPTIONS;

(5) ESTABLISHES MUTUALLY BINDING PROCEDURES FOR RESOLVING LABOR DISPUTES; AND

(6) INCLUDES ANY OTHER PROVISIONS NEGOTIATED BY THE PARTIES TO PROMOTE SUCCESSFUL DELIVERY OF THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM.”

AMENDMENT NO. 3

On page 15, before line 1, insert:

“Article – Tax – Property

7–237.

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

(1) electricity or steam for sale; or

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

(b) Subject to § 7–514 of this title, and except as provided in subsection (c) of this section, personal property that is machinery or equipment described in subsection (a) of this section is subject to county or municipal corporation property tax on:

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

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

(c) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Agrivoltaics” means the simultaneous use of areas of land for both solar power generation and agriculture.

(iii) “Brownfield” means:

1. a former industrial or commercial site identified by federal or State laws or regulations as contaminated or polluted; or

2. a closed municipal or rubble landfill regulated under a refuse disposal permit by the Department of the Environment.

(iv) “Community solar energy generating system” has the meaning stated in § 7–306.2 of the Public Utilities Article.

(v) “Electric company” has the meaning stated in § 1–101 of the Public Utilities Article.

(2) This subsection applies through the life cycle of a community solar energy generating system that:

(i) is placed in service after June 30, 2022; and

(ii) has been approved on or before December 31, 2025, by the Public Service Commission under § 7–306.2 of the Public Utilities Article.

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(3) Personal property is exempt from county or municipal corporation property tax if the property is machinery or equipment that is part of a community solar energy generating system that:

(i) [as defined in regulation of the Public Service Commission, is part of a community solar generating system that:

1.] has a generating capacity that does not exceed 2 megawatts as measured by the alternating current rating of the system's inverter; [and

2.] (II) provides at least 50% of the energy it produces to low- or moderate-income customers at a cost that is at least 20% less than the amount charged by the electric company that serves the area where the community solar energy generating system is located; and

[(ii)] (III) 1. is used for agrivoltaics; or

2. is installed on a rooftop, brownfield, parking facility canopy, landfill, or clean fill.

(4) [Personal property that receives an exemption under this subsection is exempt from county or municipal corporation property tax for each taxable year in which the property continues to meet the requirements for the exemption under paragraph (3) of this subsection.

(5) The supervisor of a county or municipal corporation may not accept an application from a property owner for the exemption under this subsection after December 31, 2024.

(6)] On or before October 1 each year, the Department shall report to the Senate Budget and Taxation Committee and the House Ways and Means Committee, in

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accordance with § 2–1257 of the State Government Article, on the number and location of projects that, in the immediately preceding taxable year, have received the exemption under this subsection.”;

after line 9, insert:

“SECTION 4. AND BE IT FURTHER ENACTED, That the prevailing wage and project labor agreement required under § 7–306.2(o) of the Public Utilities Article, as enacted by Section 1 of this Act, shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any community solar energy generating system, as defined in § 7–306.2(a)(4) of the Public Utilities Article, as enacted by Section 1 of this Act, that received a queue position in the Pilot Program, as defined in § 7–306.2(a)(11) of the Public Utilities Article, as enacted by Section 1 of this Act, before January 1, 2025.”;

in line 10, strike “4.” and substitute “5.”; and in line 11, strike “October” and substitute “July”.