

# MAINE STATE LEGISLATURE

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ROS

L.D. 1153

Date: 3/25/24

Majority

(Filing No. H- 855)

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 725, L.D. 1153, "An Act to Allow Municipalities to Tax Personal Solar Energy Equipment Under 5 Megawatts"

Amend the bill by striking out the title and substituting the following:

'An Act Regarding Municipal Taxation of Certain Solar Energy Equipment'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 36 MRSA §655, sub-§1, ¶T, as amended by PL 2019, c. 440, §2, is further amended to read:

T. Trail-grooming equipment registered under Title 12, section 13113; and

Sec. 2. 36 MRSA §655, sub-§1, ¶U, as amended by PL 2021, c. 181, Pt. C, §2, is further amended to read:

U. Solar and wind energy equipment that generates heat or electricity if all of the energy is:

- (1) Used on the site where the property is located; or
(2) Transmitted through the facilities of a transmission and distribution utility; and a utility customer or customers receive a utility bill credit for the energy generated by the equipment pursuant to Title 35-A.

On or before April 1st of the first property tax year for which a taxpayer claims an exemption under this paragraph, the taxpayer claiming the exemption shall file a report with the assessor. The report must identify the property for which the exemption is claimed and must be made on a form prescribed by the State Tax Assessor or a substitute form approved by the State Tax Assessor. The State Tax Assessor shall furnish copies of the form to each municipality in the State and make the forms available to taxpayers.

This paragraph applies to solar energy equipment for property tax years beginning before April 1, 2025; and

COMMITTEE AMENDMENT

1           **Sec. 3. 36 MRSA §655, sub-§1, ¶V** is enacted to read:

2           V. For property tax years beginning on or after April 1, 2025, solar energy equipment  
3           that generates heat or electricity if:

4                   (1) All of the energy is used on the site where the property is located;

5                   (2) The equipment is collocated with a net energy billing customer that is or net  
6                   energy billing customers that are subscribed to at least 50% of the facility's output;  
7                   or

8                   (3) All of the energy is transmitted through the facilities of a transmission and  
9                   distribution utility and a utility customer or customers receive a utility bill credit  
10                   for the energy generated by the equipment pursuant to Title 35-A, section 3209-A  
11                   or 3209-B and the generator of electricity entered into a fully executed  
12                   interconnection agreement with a transmission and distribution utility prior to June  
13                   1, 2024.

14           On or before April 1st of the first property tax year for which a taxpayer claims an  
15           exemption under this paragraph, the taxpayer claiming the exemption shall file a report  
16           with the assessor. The report must identify the property for which the exemption is  
17           claimed and must be made on a form prescribed by the State Tax Assessor or a  
18           substitute form approved by the State Tax Assessor. The State Tax Assessor shall  
19           furnish copies of the form to each municipality in the State and make the forms  
20           available to taxpayers.

21           **Sec. 4. 36 MRSA §656, sub-§1, ¶K**, as amended by PL 2021, c. 181, Pt. C, §3, is  
22 further amended to read:

23           K. Solar and wind energy equipment that generates heat or electricity if all of the  
24           energy is:

25                   (1) Used on the site where the property is located; or

26                   (2) Transmitted through the facilities of a transmission and distribution utility; and  
27                   a utility customer or customers receive a utility bill credit for the energy generated  
28                   by the equipment pursuant to Title 35-A.

29           On or before April 1st of the first property tax year for which a taxpayer claims an  
30           exemption under this paragraph, the taxpayer claiming the exemption shall file a report  
31           with the assessor. The report must identify the property for which the exemption is  
32           claimed and must be made on a form prescribed by the State Tax Assessor or a  
33           substitute form approved by the State Tax Assessor. The State Tax Assessor shall  
34           furnish copies of the form to each municipality in the State and make the forms  
35           available to taxpayers.

36           This paragraph applies to solar energy equipment for property tax years beginning  
37           before April 1, 2025.

38           **Sec. 5. 36 MRSA §656, sub-§1, ¶L** is enacted to read:

39           L. For property tax years beginning on or after April 1, 2025, solar energy equipment  
40           that generates heat or electricity if:

41                   (1) All of the energy is used on the site where the property is located;



ROS

COMMITTEE AMENDMENT "A" to H.P. 725, L.D. 1153

1 after December 31, 2023 and to establish a general method of valuation for commercial  
2 solar arrays.

3

**FISCAL NOTE REQUIRED**

4

**(See attached)**



# 131st MAINE LEGISLATURE

LD 1153

LR 1513(02)

## An Act to Allow Municipalities to Tax Personal Solar Energy Equipment Under 5 Megawatts

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-855)

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$0	\$0	(\$200,000)
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$0	\$0	(\$200,000)

#### Fiscal Detail and Notes

This bill changes eligibility requirements for the property tax exemption for renewable energy equipment for property tax years beginning on or after April 1, 2025. These changes are expected to reduce eligibility for the exemption. Beginning in fiscal year 2026-27, there will be a reduction in the General Fund appropriations required for state reimbursement to municipalities for revenue loss from the property tax exemption.