MAINE STATE LEGISLATURE

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1	L.D. 1153						
2	Date: 3/25/24 Majority (Filing No. H-855)						
3	TAXATION						
4	Reproduced and distributed under the direction of the Clerk of the House.						
5	STATE OF MAINE						
6	HOUSE OF REPRESENTATIVES						
7	131ST LEGISLATURE						
8	SECOND REGULAR SESSION						
9 10	COMMITTEE AMENDMENT "A" to H.P. 725, L.D. 1153, "An Act to Allow Municipalities to Tax Personal Solar Energy Equipment Under 5 Megawatts"						
11	Amend the bill by striking out the title and substituting the following:						
12	'An Act Regarding Municipal Taxation of Certain Solar Energy Equipment'						
13 14	Amend the bill by striking out everything after the enacting clause and inserting the following:						
15 16	'Sec. 1. 36 MRSA §655, sub-§1, ¶T, as amended by PL 2019, c. 440, §2, is further amended to read:						
17	T. Trail-grooming equipment registered under Title 12, section 13113; and						
18 19	Sec. 2. 36 MRSA §655, sub- $\S1$, \PU , as amended by PL 2021, c. 181, Pt. C, $\S2$, is further amended to read:						
20 21	U. Solar and wind energy equipment that generates heat or electricity if all of the energy is:						
22	(1) Used on the site where the property is located; or						
23 24 25	(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.						
26 27 28 29 30 31 32	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.						
34	This paragraph applies to solar energy equipment for property tax years beginning before April 1, 2025; and						

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1	Sec. 3. 36 MRSA §655, sub-§1, ¶V is enacted to read:
2 3	V. For property tax years beginning on or after April 1, 2025, solar energy equipment that generates heat or electricity if:
4	(1) All of the energy is used on the site where the property is located;
5 6 7	(2) The equipment is collocated with a net energy billing customer that is or net energy billing customers that are subscribed to at least 50% of the facility's output; or
8 9 10 11 12 13	(3) All of the energy is 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, section 3209-A or 3209-B and the generator of electricity entered into a fully executed interconnection agreement with a transmission and distribution utility prior to June 1, 2024.
14 15 16 17 18 19 20	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.
21 22	Sec. 4. 36 MRSA §656, sub-§1, ¶K, as amended by PL 2021, c. 181, Pt. C, §3, is further amended to read:
23 24	K. Solar and wind energy equipment that generates heat or electricity if all of the energy is:
25	(1) Used on the site where the property is located; or
26 27 28	(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.
29 30 31 32 33 34 35	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.
36 37	This paragraph applies to solar energy equipment for property tax years beginning before April 1, 2025.
38	Sec. 5. 36 MRSA §656, sub-§1, ¶L is enacted to read:
39 40	L. For property tax years beginning on or after April 1, 2025, solar energy equipment that generates heat or electricity if:
41	(1) All of the energy is used on the site where the property is located;

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- (2) The equipment is collocated with a net energy billing customer that is or net energy billing customers that are subscribed to at least 50% of the facility's output;
- (3) All of the energy is 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, section 3209-A or 3209-B and the generator of electricity entered into a fully executed interconnection agreement with a transmission and distribution utility prior to June 1, 2024.

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.

Sec. 6. State Tax Assessor duties. By January 1, 2025, the State Tax Assessor shall update the Department of Administrative and Financial Services, Bureau of Revenue Services' solar energy equipment exemption information bulletin to reflect any changes made to relevant laws after December 31, 2023. The assessor shall also establish a general method of valuation for commercial solar arrays similar to the general method of valuation for residential solar arrays and include information about the method of valuation in the bulletin. To update the bulletin, the assessor shall consult with municipal assessors, members of the solar industry and representatives of State Government.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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SUMMARY

This amendment changes the requirements for personal and real estate property tax exemptions for certain solar energy equipment for property tax years beginning on or after April 1, 2025. After that date, solar energy equipment is exempt from property taxation if:

- 1. The energy it produces is used on site;
- 2. The equipment is collocated with a net energy billing customer or customers subscribed to at least 50% of the energy produced on site; or
- 3. The energy the equipment produces is transmitted through an electric utility and accounted for using a bill credit mechanism and the generator of electricity had a fully executed interconnection agreement prior to June 1, 2024.

The amendment also requires the State Tax Assessor to update the solar energy equipment exemption information bulletin of the Department of Administrative and Financial Services, Bureau of Revenue Services to reflect changes made to relevant laws

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)

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COMMITTEE AMENDMENT



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

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

Fiscal Detail and Notes

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This bill changes eligiblity 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.