



Senate Bill 528

Climate Solutions Now Act of 2022

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Education, Health, & Environment Affairs
and Budget & Taxation Committees

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From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS SB 528 WITH AMENDMENTS**. This wide-ranging legislation creates and enhances multiple goals to advance Maryland's climate response. County governments appreciate a number of refinements to the bill as introduced, but raise concerns with certain components that appear to be unreasonably burdensome for public sector landfill operators, and may materially undermine local tax revenues.

Methane regulation and public sector landfills

SB 528 imposes a California-style methane standard, that would place a significant burden on county governments to control methane emissions from current and former landfills. This new significant cost could have serious and potentially harmful implications on existing and planned landfill solar installations on landfill acreage. MACo supports amendments to these sections of the bill that seek a balance among multiple goals: controlling methane emissions, retaining the benefits of solar energy, and governing the cost burden on taxpayers and other public services.

A rigid mandate may place burdens on landfill operators that fail a sensible cost-benefit analysis. A reasonable enforcement regime could recognize the current benefits of waste-to-energy adaptations already in place, and in particular respect any clean energy infrastructure already attached to the landfill space. The burden of disassembling solar power arrays, completing expensive retrofits or replacements to existing gas combustion equipment, hiring of additional staff due to increased monitoring requirements, hiring of outside consultants to meet new technical requirements, etc. could make many current and planned installations financially untenable.

MACo proposes five principles for amendments to best align these sections of the bill:

1. Provide State resources for any mandated aerial study flights or other new testing methods envisioned under the new law;
2. Authorize the Maryland Department of the Environment (MDE) to provide regulatory variances based on actual site emission data or models; activities such as voluntary

implementation of landfill gas management systems for sites below Title V mandatory active gas management thresholds; implementation of organics composting systems; or enclosed organics Anaerobic Digestion with gas capture that otherwise reduce greenhouse gases as well as other science-based evidentiary variance requests;

3. Include State funding for MDE to conduct research validating the accuracy of existing data-gathering under the current CFR monitoring requirements and practices;
4. Specify that new compliance costs will not exceed 10% of a county's existing gas management cost per ton of methane captured, and that if costs exceed 10% without an equivalent increase in actual gas capture, then all new compliance activities be allowed to revert to prior compliance standards; and
5. Grandfather in, either by definition or by a reasonable waiver process, currently closed landfills with other greenhouse reduction components in place – such as solar power arrays on closed landfills – recognizing their nonexistent capacity to generate new revenues, and exempting them from any new requirements.

Personal Property Taxation of Solar Property

SB 528 would provide a mandatory, not discretionary, property tax exemption for certain classes of solar energy-generating property. The tax provisions in SB 528 mirror those in SB 264 and may benefit from a fuller consideration in that stand-alone legislation.

MACo would appreciate broad flexibility to enact solar tax incentives locally, as many counties are promoting solar projects on rooftops, brownfields, or less desirable lands as alternatives to large-scale energy generation facilities. However, the fiscal effects of these proposed changes are a major variable, especially as community solar becomes more viable and other currently pending legislation seeks to dramatically expand the capacity limits for “community solar” in the definition to which these tax benefits are pinned. This bill could significantly undermine local revenues and support for essential services and community needs.

As such, MACo urges a "local option amendment" to allow each jurisdiction that chooses to enact these incentives the flexibility to meet specific local needs and priorities. Additionally, this will give each county broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits encouraged by the bill.

The bill as written seeks to accomplish a long list of lofty policy aspirations. Specific parts of the far-reaching bill represent a significant operational and cost mandate—and revenue loss—for county governments. Accordingly, MACo urges the Committee to issue a report of **FAVORABLE WITH AMENDMENTS** for SB 528 and stands ready to work with the Committee to address these issues.