

## Testimony of the Maine Municipal Association

In Support of  
LD 1153, *An Act to Allow Municipalities to Tax Personal Solar Energy Equipment Under 5  
Megawatts*

April 5, 2023

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Senator Grohoski, Representative Perry, and members of the Taxation Committee. My name is Kate Dufour, and I am offering testimony in support of LD 1153 on behalf of the 70 municipal leaders who were elected by their peers to serve on the Association's Legislative Policy Committee and directed to establish MMA's position on bills of municipal interest.

Municipal officials strongly support passage of LD 1153 as it seeks to claw back the generous property tax exemption erroneously extended to large scale solar energy developments.

When the laws governing the development of the solar industry in Maine were being debated during the pre-pandemic era, the intent was to extend the tax exemption only to the property attached to residences and not that owned by commercial entities. By extending the exemption broadly, not only did the act limit the amount of property taxes generated locally but in cases where the property already existed, the act shifted additional burdens onto the remaining property taxpayers, since only a portion of the lost property tax revenues are reimbursed by the state. This outcome is particularly biting, as these communities were at the forefront of supporting this emerging industry and were punished as a result.

Additionally, the practice of exempting new developments from taxation places additional pressures on state coffers making those revenues unavailable to invest in other worthwhile programs. It is an unsustainable approach for subsidizing an industry that might not have needed such a generous incentive, as illustrated by the proliferation of solar farms in Maine.

That said, LD 1153 would benefit from further amendment, as the bill is too broadly applied. Municipal leaders believe that solar equipment attached to residential properties should continue to be exempt from taxation.

Thank you for considering the municipal perspective on this bill. If you have questions about the Association's position, please do not hesitate to contact me at 1-800-452-8786 or [kdufour@memun.org](mailto:kdufour@memun.org).