

# HOUSE BILL 952

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By: **Delegates Montgomery, Bronrott, Lawton, and Shewell**

Introduced and read first time: February 9, 2007

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Department of Energy**

3 FOR the purpose of redesignating the Maryland Energy Administration as the  
4 Department of Energy; establishing the Department of Energy as a principal  
5 department of State government; establishing the Secretary of Energy as the  
6 head of the Department of Energy; providing for the appointment, powers,  
7 duties, and salary of the Secretary; requiring the Attorney General to assign a  
8 certain number of assistant attorneys general to perform certain duties and  
9 functions in the Department of Energy; providing that all rights, obligations,  
10 and policies of the Maryland Energy Administration shall continue in effect  
11 under the Department of Energy, except as provided by law; providing for the  
12 transfer of the employees of the Maryland Energy Administration to the  
13 Department of Energy without any diminution of their rights, benefits, or  
14 employment and retirement status; requiring the publisher of the Annotated  
15 Code of Maryland, in consultation with the Department of Legislative Services,  
16 to correct agency names and titles in the Code to conform to the changes that  
17 are made by this Act; defining certain terms; and generally relating to the  
18 Department of Energy.

19 BY repealing and reenacting, with amendments,

20 Article – State Government

21 Section 8–201; 9–2001 through 9–2005, 9–2006(c)(1) and (e) through (k),  
22 9–2007, and 9–2008 to be under the amended subtitle “Subtitle 20.  
23 Department of Energy”; and 9–20A–01, 9–20A–02, 9–20A–04 through  
24 9–20A–09, 9–2102, and 9–2104 through 9–2109

25 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2004 Replacement Volume and 2006 Supplement)

2 BY adding to

3 Article – State Government

4 Section 9–2002.1

5 Annotated Code of Maryland

6 (2004 Replacement Volume and 2006 Supplement)

7 BY repealing and reenacting, without amendments,

8 Article – State Government

9 Section 9–2006(b)

10 Annotated Code of Maryland

11 (2004 Replacement Volume and 2006 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article – State Government**

15 8–201.

16 (a) The Executive Branch of the State government shall have not more than  
17 21 principal departments, each of which shall embrace a broad, functional area of that  
18 Branch.

19 (b) The principal departments of the Executive Branch of the State  
20 government are:

21 (1) Aging;

22 (2) Agriculture;

23 (3) Budget and Management;

24 (4) Business and Economic Development;

25 (5) Disabilities;

26 **(6) ENERGY;**

27 **[(6)](7) the Environment;**

- 1            ~~[(7)]~~**(8)**        General Services;
- 2            ~~[(8)]~~**(9)**        Health and Mental Hygiene;
- 3            ~~[(9)]~~**(10)**       Housing and Community Development;
- 4            ~~[(10)]~~**(11)**       Human Resources;
- 5            ~~[(11)]~~**(12)**       Juvenile Services;
- 6            ~~[(12)]~~**(13)**       Labor, Licensing, and Regulation;
- 7            ~~[(13)]~~**(14)**       Natural Resources;
- 8            ~~[(14)]~~**(15)**       Planning;
- 9            ~~[(15)]~~**(16)**       Public Safety and Correctional Services;
- 10           ~~[(16)]~~**(17)**       State Police;
- 11           ~~[(17)]~~**(18)**       Transportation; and
- 12           ~~[(18)]~~**(19)**       Veterans Affairs.

13            Subtitle 20. [Maryland Energy Administration] **DEPARTMENT OF ENERGY.**

14    9–2001.

15            (a)    In this subtitle the following words have the meanings indicated.

16            (b)    [“Administration”] **“DEPARTMENT”** means the [Maryland Energy  
17 Administration] **DEPARTMENT OF ENERGY.**

18            (c)    [“Director”] **“SECRETARY”** means the [Director of the Maryland Energy  
19 Administration] **SECRETARY OF ENERGY.**

20    9–2002.

21            (a)    [The Administration is established as a separate unit of State  
22 government.] **THERE IS A DEPARTMENT OF ENERGY, ESTABLISHED AS A  
23 PRINCIPAL DEPARTMENT OF STATE GOVERNMENT.**

1 (b) With the approval of the Governor, the [Administration] **DEPARTMENT**  
2 shall implement and administer conservation, allocation, or other energy programs or  
3 measures under State law or federal laws, orders, or regulations.

4 (c) (1) [The Governor shall appoint a Director of the Administration.]  
5 **THE SECRETARY IS THE HEAD OF THE DEPARTMENT AND SHALL BE APPOINTED**  
6 **BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.**

7 (2) (I) **THE SECRETARY SERVES AT THE PLEASURE OF THE**  
8 **GOVERNOR AND IS RESPONSIBLE DIRECTLY TO THE GOVERNOR.**

9 (II) **THE SECRETARY SHALL ADVISE THE GOVERNOR ON**  
10 **ALL MATTERS ASSIGNED TO THE DEPARTMENT AND IS RESPONSIBLE FOR**  
11 **CARRYING OUT THE GOVERNOR'S POLICIES ON THESE MATTERS.**

12 (3) (I) **THE SECRETARY IS RESPONSIBLE FOR THE OPERATION**  
13 **OF THE DEPARTMENT AND SHALL ESTABLISH GUIDELINES AND PROCEDURES**  
14 **TO PROMOTE THE ORDERLY AND EFFICIENT OPERATION OF THE DEPARTMENT.**

15 (II) **THE SECRETARY MAY ESTABLISH, REORGANIZE, OR**  
16 **ABOLISH AREAS OF RESPONSIBILITY IN THE DEPARTMENT AS NECESSARY TO**  
17 **FULFILL THE DUTIES ASSIGNED TO THE SECRETARY.**

18 (4) **THE SECRETARY IS ENTITLED TO THE SALARY PROVIDED IN**  
19 **THE STATE BUDGET.**

20 [(d) The Administration shall have the staff provided for in the State budget.]

21 (D) (1) **WITH THE APPROVAL OF THE GOVERNOR, THE SECRETARY**  
22 **SHALL APPOINT A DEPUTY SECRETARY.**

23 (2) **THE DEPUTY SECRETARY:**

24 (I) **SERVES AT THE PLEASURE OF THE SECRETARY;**

25 (II) **HAS THE DUTIES PROVIDED BY LAW OR DELEGATED BY**  
26 **THE SECRETARY; AND**

1                   (III) IS ENTITLED TO THE SALARY PROVIDED IN THE STATE  
2 BUDGET.

3           (E) (1) IN THE OFFICE OF THE SECRETARY, THE SECRETARY SHALL  
4 HAVE ASSISTANTS, PROFESSIONAL CONSULTANTS, AND EMPLOYEES AS  
5 PROVIDED IN THE STATE BUDGET.

6                   (2) IN THE OFFICE OF THE SECRETARY:

7                   (I) EACH STAFF ASSISTANT IN CHARGE OF A PARTICULAR  
8 AREA OF RESPONSIBILITY AND EACH PROFESSIONAL CONSULTANT SERVES AT  
9 THE PLEASURE OF THE SECRETARY; AND

10                  (II) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE  
11 SECRETARY SHALL APPOINT AND REMOVE ALL OTHER EMPLOYEES IN  
12 ACCORDANCE WITH THE STATE PERSONNEL AND PENSIONS ARTICLE.

13                  (3) THE SECRETARY MAY REVIEW ANY PERSONNEL ACTION  
14 TAKEN BY ANY UNIT IN THE DEPARTMENT.

15           (F) THE SECRETARY IS RESPONSIBLE FOR THE BUDGET OF THE  
16 DEPARTMENT.

17           (G) (1) THE SECRETARY MAY ADOPT RULES AND REGULATIONS  
18 NECESSARY TO CARRY OUT THE PROVISIONS OF LAW THAT ARE WITHIN THE  
19 JURISDICTION OF THE SECRETARY.

20                  (2) THE SECRETARY MAY ADOPT REGULATIONS FOR THE  
21 DEPARTMENT AND ITS UNITS.

22 **9-2002.1.**

23           (A) THE ATTORNEY GENERAL IS THE LEGAL ADVISER TO THE  
24 DEPARTMENT.

25           (B) THE ATTORNEY GENERAL SHALL ASSIGN TO THE DEPARTMENT  
26 THE NUMBER OF ASSISTANT ATTORNEYS GENERAL AUTHORIZED BY LAW TO BE  
27 ASSIGNED TO THE DEPARTMENT.

1           **(C) (1) THE ATTORNEY GENERAL SHALL DESIGNATE ONE OF THE**  
2 **ASSISTANT ATTORNEYS GENERAL ASSIGNED TO THE DEPARTMENT AS COUNSEL**  
3 **TO THE DEPARTMENT AND MAY NOT REASSIGN THAT INDIVIDUAL WITHOUT**  
4 **CONSULTING WITH THE SECRETARY.**

5           **(2) THE COUNSEL TO THE DEPARTMENT SHALL HAVE ONLY THE**  
6 **FOLLOWING DUTIES:**

7                   **(I) TO GIVE THE LEGAL AID, ADVICE, AND COUNSEL**  
8 **REQUIRED BY THE SECRETARY AND ANY OTHER OFFICIAL OF THE**  
9 **DEPARTMENT;**

10                   **(II) TO SUPERVISE THE OTHER ASSISTANT ATTORNEYS**  
11 **GENERAL ASSIGNED TO THE DEPARTMENT; AND**

12                   **(III) TO PERFORM FOR THE DEPARTMENT THE DUTIES THAT**  
13 **THE ATTORNEY GENERAL ASSIGNS.**

14           **(3) THE COUNSEL SHALL PERFORM THE DUTIES UNDER**  
15 **PARAGRAPH (2) OF THIS SUBSECTION SUBJECT TO THE CONTROL AND**  
16 **SUPERVISION OF THE ATTORNEY GENERAL.**

17 9-2003.

18           The [Administration] **DEPARTMENT** shall:

19                   (1) provide advisory, consultative, training, and educational services,  
20 technical assistance, grant and loan funds therefor, and financial assistance to any  
21 municipality, county, State unit, local public agency, nonprofit organization, or private  
22 entity, in order to establish or carry out sound energy policies or practices, including  
23 energy management and energy conservation;

24                   (2) assume those responsibilities delegated to the State energy offices  
25 in accordance with the orders, rules, and regulations adopted under any federal laws  
26 relating to the allocation, conservation, development, or consumption of energy  
27 resources or any other delegation of federal authority pertaining to energy;

28                   (3) evaluate and coordinate energy related policies and activities  
29 among all agencies of the Executive Branch of the State and, where appropriate, those  
30 of the various local governments;

1           (4) collect, analyze, and evaluate statistics and information related to  
2 energy use, conservation, consumption, and energy production and coordinate  
3 information related to energy resources, including electricity, natural gas, and the  
4 production of oil and natural gas, with the Public Service Commission, the Power  
5 Plant Research Program, and the Maryland Geological Survey;

6           (5) serve as liaison between federal and State agencies for all matters  
7 related to energy and maintain liaison with energy agencies in other states;

8           (6) develop and conduct education and communications programs for  
9 and disseminate informative materials to the public on energy production, supply, and  
10 conservation;

11           (7) provide for, encourage, and assist, where practicable, public  
12 participation in the development and dissemination of energy programs;

13           (8) in cooperation with the Department of General Services, monitor  
14 the energy savings accrued by the energy management and conservation efforts  
15 undertaken by agencies of State government;

16           (9) coordinate and direct integrated energy planning for State  
17 agencies and the public that recognizes the benefits and costs of energy conservation  
18 and improved efficiency;

19           (10) promote the transfer and commercialization of energy conservation  
20 methods and energy technology from private and public laboratories to the citizens of  
21 the State;

22           (11) cooperate and coordinate with other State agencies in the research  
23 and development of energy conservation methods and alternative energy technologies;  
24 and

25           (12) develop strategic plans and implement policies relating to energy  
26 supply management, including the promotion and supervision of research on  
27 alternative fuels and energy emergency management.

28 9–2004.

29           The [Administration] **DEPARTMENT** shall assist the Department of General  
30 Services in considering the most economical and efficient alternative for meeting the  
31 annual heating oil requirements of State agencies.

1 9–2005.

2 The [Administration] **DEPARTMENT** shall have the following additional duties  
3 and responsibilities concerning the State’s preparedness for, and management of,  
4 general energy emergencies and shortfalls:

5 (1) to prepare contingency plans for mitigating the impact of any  
6 severe shortage of fuel resources, including middle distillate oil, motor gasoline,  
7 residual fuel oil, and propane gas, on various classes of consumers;

8 (2) to work with the United States Department of Energy in preparing  
9 and training for an energy emergency response;

10 (3) to maintain communications, including computerized electronic  
11 communication, with the United States Department of Energy and with neighboring  
12 states to obtain and share energy data pertaining to energy emergencies; and

13 (4) to collect, analyze, evaluate, and maintain on a proprietary basis so  
14 as to preserve the confidentiality of its source, data related to managing any energy  
15 emergency or shortfall.

16 9–2006.

17 (b) (1) This section applies to the testing, certification, and enforcement of  
18 efficiency standards for the following types of new products sold, offered for sale, or  
19 installed in the State:

20 (i) torchiere lighting fixtures;

21 (ii) unit heaters;

22 (iii) low–voltage dry–type distribution transformers;

23 (iv) ceiling fan light kits;

24 (v) red and green traffic signal modules;

25 (vi) illuminated exit signs;

26 (vii) commercial refrigeration cabinets;

27 (viii) large packaged air–conditioning equipment; and

1 (ix) commercial clothes washers.

2 (2) This section does not apply to:

3 (i) new products manufactured in the State and sold outside  
4 the State;

5 (ii) new products manufactured outside the State and sold at  
6 wholesale inside the State for final retail sale and installation outside the State;

7 (iii) products installed in mobile manufactured homes at the  
8 time of construction; or

9 (iv) products designed expressly for installation and use in  
10 recreational vehicles.

11 (c) (1) On or before January 1, 2004, the [Administration] **DEPARTMENT**  
12 shall adopt regulations establishing minimum efficiency standards for the types of  
13 new products set forth in subsection (b)(1) of this section.

14 (e) (1) By regulation, the [Administration] **DEPARTMENT** may clarify  
15 but not expand the scope of the devices defined under subsection (a) of this section.

16 (2) On request of a Maryland business or consumer and after public  
17 notice and comment, the [Administration] **DEPARTMENT** may delay the effective date  
18 of any standard under this section by not more than 1 year if the [Administration]  
19 **DEPARTMENT** determines that products conforming to the standard will not be  
20 widely available in Maryland by the applicable date stated in subsection (d)(1) of this  
21 section.

22 (3) The [Administration] **DEPARTMENT** may limit a delay under  
23 paragraph (2) of this subsection to identifiable subcategories of any category of covered  
24 products.

25 (f) (1) After public notice and comment, the [Administration]  
26 **DEPARTMENT** shall adopt procedures by rule for testing the energy efficiency of the  
27 new products listed in subsection (b)(1) of this section if testing procedures are not  
28 provided for in the Maryland Building Performance Standards.

29 (2) The [Administration] **DEPARTMENT** shall use appropriate  
30 nationally recognized test methods such as those approved by the United States  
31 Department of Energy.

1           (3)    The manufacturers of new products listed in subsection (b)(1) of  
2 this section shall cause samples of their products to be tested in accordance with the  
3 test procedures adopted under this subsection or those specified in the Maryland  
4 Building Performance Standards.

5           (g)   (1)   Manufacturers of new products listed in subsection (b)(1) of this  
6 section shall certify to the [Administration] **DEPARTMENT** that the products are in  
7 compliance with the provisions of this section.

8           (2)   (i)   The [Administration] **DEPARTMENT** shall adopt  
9 regulations governing the certification of new products and may coordinate with the  
10 certification programs of other states with similar standards.

11           (ii)   Any manufacturer that has certified a product to another  
12 state or to the Federal Energy Star Program may provide the [Administration]  
13 **DEPARTMENT** with a copy of the certification that the manufacturer made to the  
14 other state or agency in place of a separate certification to the State of Maryland,  
15 provided that:

16                   1.    the other state's standards or the Energy Star  
17 specifications are equivalent to or more stringent than the standards of the State of  
18 Maryland; and

19                   2.    all information required by the regulations adopted  
20 under subparagraph (i) of this paragraph is included in the certification.

21           (h)   (1)   Manufacturers of new products listed in subsection (b)(1) of this  
22 section shall identify each product offered through retailers for sale or installation in  
23 the State as in compliance with the minimum efficiency standards established under  
24 subsection (c) of this section by means of a mark, label, or tag on the product or  
25 packaging at the time of sale or installation.

26           (2)   (i)   The [Administration] **DEPARTMENT** shall adopt  
27 regulations governing the identification of such products or packaging which shall be  
28 coordinated to the greatest practical extent with the labeling programs and  
29 requirements of other states and federal agencies with equivalent efficiency standards.

30           (ii)   If a national efficiency standard is established by federal law  
31 or regulation for a product listed in subsection (b) of this section, the labeling  
32 requirements set forth in COMAR 14.26.03.10 do not apply to that product.

1 (iii) In accordance with COMAR 14.26.03.10, all display models  
2 of products shall be displayed with a mark, label, or tag on the product.

3 (i) (1) The [Administration] **DEPARTMENT** may test products listed in  
4 subsection (b)(1) of this section using an accredited testing facility.

5 (2) If products tested are found not to be in compliance with the  
6 minimum efficiency standards established under subsection (c) of this section, the  
7 [Administration] **DEPARTMENT** shall:

8 (i) charge the manufacturer of the product for the cost of  
9 product purchase and testing; and

10 (ii) make information available to the public on products found  
11 not to be in compliance with the standards.

12 (j) (1) With prior notice and at reasonable and convenient hours, the  
13 [Administration] **DEPARTMENT** may make periodic inspections of distributors or  
14 retailers of new products listed in subsection (b)(1) of this section in order to determine  
15 compliance with the provisions of this section.

16 (2) The [Administration] **DEPARTMENT** shall coordinate with the  
17 Department of Housing and Community Development regarding inspections, prior to  
18 occupancy, of newly constructed buildings containing new products that are also  
19 covered by the Maryland Building Performance Standards.

20 (k) (1) The [Administration] **DEPARTMENT** may investigate complaints  
21 received concerning violations of this section and shall report the results of an  
22 investigation to the Attorney General.

23 (2) The Attorney General may institute proceedings to enforce the  
24 provisions of this section.

25 (3) A manufacturer, distributor, or retailer of new products listed in  
26 subsection (b)(1) of this section that violates any provision of this section shall be  
27 issued a warning by the [Administration] **DEPARTMENT** for a first violation.

28 (4) Repeat violators shall be subject to a civil penalty of not more than  
29 \$250.

30 (5) Each violation of this section shall constitute a separate offense  
31 and each day that a violation continues shall constitute a separate offense.

1 (6) Penalties assessed under this subsection are in addition to costs  
2 assessed under subsection (i)(2)(i) of this section.

3 (7) Penalties assessed under this subsection shall be paid into the  
4 General Fund of the State.

5 9–2007.

6 (a) (1) In this section the following words have the meanings indicated.

7 (2) “Photovoltaic property” means solar energy property that uses a  
8 solar photovoltaic process to generate electricity and that meets applicable  
9 performance and quality standards and certification requirements in effect at the time  
10 of acquisition of the property, as specified by the [Maryland Energy Administration]  
11 **DEPARTMENT OF ENERGY.**

12 (3) “Program” means the Solar Energy Grant Program.

13 (4) (i) “Solar energy property” means equipment that uses solar  
14 energy:

- 15 1. to generate electricity;
- 16 2. to heat or cool a structure or provide hot water for use  
17 in a structure; or
- 18 3. to provide solar process heat.

19 (ii) “Solar energy property” does not include a swimming pool,  
20 hot tub, or any other energy storage medium that has a function other than storage.

21 (5) “Solar water heating property” means solar energy property that:

22 (i) when installed in connection with a structure, uses solar  
23 energy for the purpose of providing hot water for use within the structure; and

24 (ii) meets applicable performance and quality standards and  
25 certification requirements in effect at the time of acquisition of the property, as  
26 specified by the [Maryland Energy Administration] **DEPARTMENT OF ENERGY.**

1 (b) There is a Solar Energy Grant Program in the [Administration]  
2 **DEPARTMENT.**

3 (c) The purpose of the Program is to provide grants to individuals, local  
4 governments, and businesses for a portion of the costs of acquiring and installing  
5 photovoltaic property and solar water heating property.

6 (d) The [Administration] **DEPARTMENT** shall:

7 (1) administer the Program;

8 (2) establish application procedures for the Program; and

9 (3) award grants from the Program.

10 (e) A grant awarded under the Program may not exceed:

11 (1) for photovoltaic property installed on residential property, the  
12 lesser of \$3,000 or 20% of the total installed cost of the photovoltaic property;

13 (2) for photovoltaic property installed on nonresidential property, the  
14 lesser of \$5,000 or 20% of the total installed cost of the photovoltaic property; and

15 (3) for solar water heating property, the lesser of \$2,000 or 20% of the  
16 total installed cost of the solar water heating property.

17 9–2008.

18 (a) (1) In this section the following words have the meanings indicated.

19 (2) “Geothermal heat pump” means a heating and cooling device that  
20 is installed using ground loop technology.

21 (3) “Program” means the Geothermal Heat Pump Grant Program.

22 (b) There is a Geothermal Heat Pump Grant Program in the  
23 [Administration] **DEPARTMENT.**

24 (c) The purpose of the Program is to provide grants to individuals for a  
25 portion of the cost of acquiring and installing a geothermal heat pump.

26 (d) The [Administration] **DEPARTMENT** shall:

- 1 (1) administer the Program;
- 2 (2) establish application procedures for the Program; and
- 3 (3) award grants from the Program.

4 (e) A grant awarded under the Program may not exceed \$1,000.

5 9–20A–01.

6 (a) In this subtitle the following words have the meanings indicated.

7 (b) [“Administration” means the Maryland Energy Administration.

8 (c)] “Borrower” means an eligible business selected to receive a loan under  
9 this Program.

10 (C) **“DEPARTMENT” MEANS THE DEPARTMENT OF ENERGY.**

11 (d) “Eligible business” means a commercial enterprise or business:

12 (1) that is incorporated in the State; or

13 (2) whose principal owners are State residents and the business of  
14 which is principally carried out in the State.

15 (e) “Energy cost savings” means the actual reduction in operating expenses  
16 resulting from the improved energy efficiency generated by an energy conservation  
17 project financed under the Program.

18 (f) “Fund” means the Energy Efficiency and Economic Development Loan  
19 Program Fund.

20 (g) “Program” means the Energy Efficiency and Economic Development Loan  
21 Program.

22 (h) (1) “Project” means one or more improvements or modifications that  
23 enhance the energy efficiency and reduce the operating expenses of a structure.

24 (2) “Project” includes start up opportunities for new businesses if the  
25 loan would enhance the energy efficiency of the borrower’s business.

1 (3) "Project" does not include improvements or modifications for  
2 energy conservation in structures used primarily for religious or fraternal activities.

3 9-20A-02.

4 There is an Energy Efficiency and Economic Development Loan Program in the  
5 [Maryland Energy Administration] **DEPARTMENT OF ENERGY**.

6 9-20A-04.

7 The [Administration] **DEPARTMENT** shall:

8 (1) manage, supervise, and administer the Program;

9 (2) adopt regulations to ensure that loans are provided only to projects  
10 that carry out the purpose of the Program;

11 (3) attach specific terms to any loan that are considered necessary to  
12 ensure that the purpose of the Program is fulfilled; and

13 (4) develop procedures for monitoring projects to assess whether the  
14 improvements or modifications made by an eligible business have resulted in a  
15 measurable reduction in energy consumption.

16 9-20A-05.

17 (a) (1) To receive a loan under the Program a borrower must file an  
18 application with the [Administration] **DEPARTMENT**.

19 (2) If the borrower is a corporation, the application must be signed by  
20 the chief operating officer or an authorized company official.

21 (b) The application shall contain any information the [Administration]  
22 **DEPARTMENT** determines is necessary, including:

23 (1) the projected cost to accomplish or install a proposed project;

24 (2) the amount of energy a proposed project is expected to save over a  
25 defined period of time after completion of the project;

1                   (3)     the amount of energy cost savings expected to be generated over a  
2 defined period of time after completion of the project; and

3                   (4)     a description of the borrower's contribution to a proposed project as  
4 required by § 9-20A-06 of this subtitle.

5 9-20A-06.

6           (a)     Loans from the Fund may be used for:

7                   (1)     the costs of implementing projects, including the costs of all  
8 necessary:

9                           (i)     technical assessments;

10                           (ii)    studies;

11                           (iii)  surveys;

12                           (iv)  plans and specifications; and

13                           (v)  start-up, architectural, engineering, or other special  
14 services; and

15                   (2)     the costs of construction, rehabilitation, or modification, including  
16 the purchase and installation of any necessary machinery, equipment, or furnishings.

17           (b)     Each borrower shall make a contribution to a project that is of a type and  
18 amount acceptable to the [Administration] **DEPARTMENT**.

19           (c)     The borrower must document that the anticipated energy cost savings  
20 over a defined period after the completion of the project are greater than the cost of  
21 the project.

22           (d)     Loans made under the Program shall:

23                   (1)     be repayable by the borrower from specified revenues that may  
24 include the energy cost savings generated by a project;

25                   (2)     bear interest at a rate that the [Administration] **DEPARTMENT**  
26 determines to be necessary and reasonable for the project; and

1           (3) be repayable in accordance with a schedule that the  
2 [Administration] **DEPARTMENT** sets, which may be on a deferred payment basis.

3           (e) (1) A borrower shall provide assurances for the repayment of a loan.

4           (2) The assurances:

5                   (i) shall include a promissory note; and

6                   (ii) may include superior or subordinate mortgage liens,  
7 guarantees of repayment, or other forms of collateral.

8           (f) Loans may be made in conjunction with, or in addition to, financial  
9 assistance provided through other State or federal programs.

10 9-20A-07.

11           (a) There is an Energy Efficiency and Economic Development Loan Program  
12 Fund.

13           (b) The [Administration] **DEPARTMENT** shall administer the Fund.

14           (c) (1) The Fund is a special, nonlapsing fund that is not subject to  
15 § 7-302 of the State Finance and Procurement Article.

16                   (2) The Treasurer shall hold the Fund and the Comptroller shall  
17 account for the Fund.

18           (d) The Fund consists of:

19                   (1) money appropriated in the State budget to the Program, including  
20 money appropriated to the Energy Overcharge Restitution Fund;

21                   (2) money received from any public or private source;

22                   (3) interest and investment earnings on the Fund; and

23                   (4) repayments and prepayments of principal and interest on loans  
24 made from the Fund.

25           (e) The Fund may be used only:

1 (1) to pay the expenses of the Program; and

2 (2) to provide loans to eligible borrowers and projects.

3 (f) (1) The Treasurer shall invest the money of the Fund in the same  
4 manner as other State money may be invested.

5 (2) Any investment earnings of the Fund shall be paid into the Fund.

6 (3) Any repayment of principal and interest on loans made from the  
7 Fund shall be paid into the Fund.

8 9-20A-08.

9 The [Administration] **DEPARTMENT** may enter into contracts with third  
10 parties to make, service, or settle loans made under this subtitle.

11 9-20A-09.

12 (a) A person may not knowingly make or cause to be made any false  
13 statement or report in any document required to be furnished to the [Administration]  
14 **DEPARTMENT** by any agreement relating to financial assistance.

15 (b) A person applying for financial assistance may not knowingly make or  
16 cause to be made any false statement for the purpose of influencing any action of the  
17 [Administration] **DEPARTMENT** on an application for financial assistance or for the  
18 purpose of influencing any action of the [Administration] **DEPARTMENT** affecting  
19 financial assistance already provided.

20 (c) A person who violates this section is guilty of a misdemeanor and on  
21 conviction is subject to a fine not exceeding \$50,000 or imprisonment not exceeding 1  
22 year or both.

23 9-2102.

24 There is a Community Energy Loan Program in the [Maryland Energy  
25 Administration] **DEPARTMENT OF ENERGY**.

26 9-2104.

27 The [Maryland Energy Administration] **DEPARTMENT OF ENERGY** shall:

1 (1) manage, supervise, and administer the Program;

2 (2) adopt regulations to ensure that loans are provided only to projects  
3 that carry out the purpose of the Program;

4 (3) attach the specific terms to any loan as may be considered  
5 necessary to assure that the purpose of the Program is fulfilled; and

6 (4) develop procedures for monitoring projects to assess whether the  
7 improvements or modifications made by a sponsor have resulted in a measurable  
8 reduction in energy consumption.

9 9–2105.

10 (a) (1) To receive a loan under the Program a sponsor must file an  
11 application.

12 (2) If the sponsor is a local jurisdiction, the application must be signed  
13 by the chief elected officer or, if none, by the governing body of the county or  
14 municipality in which the project is located.

15 (3) If the sponsor is a public school, the application must be signed by  
16 the board of education of the county in which the project is located.

17 (b) The application shall contain such information as the [Maryland Energy  
18 Administration] **DEPARTMENT OF ENERGY** determines is necessary, including:

19 (1) the projected cost to accomplish or install a proposed project;

20 (2) the amount of energy a proposed project is expected to save over a  
21 defined period of time after completion of the project;

22 (3) the amount of energy cost savings expected to be generated over a  
23 defined period of time after completion of the project; and

24 (4) a description of the sponsor's contribution to a proposed project as  
25 required by § 9–2106(b) of this subtitle.

26 9–2106.

27 (a) Loans may be used for the costs of implementing projects, including costs  
28 of all necessary technical assessments, studies, surveys, plans and specifications,

1 start-up, architectural, engineering, or other special services, and costs of  
2 construction, rehabilitation, or modification, including the purchase and installation of  
3 any necessary machinery, equipment, or furnishings.

4 (b) Each sponsor must make a contribution to a project that is of a type and  
5 amount acceptable to the [Maryland Energy Administration] **DEPARTMENT OF**  
6 **ENERGY**.

7 (c) The sponsor must document that the anticipated energy cost savings over  
8 a defined period after completion of the project are greater than the cost of the project.

9 (d) Loans made under the Program shall:

10 (1) be repayable by the sponsor from specified revenues that may  
11 include the energy cost savings generated by a project;

12 (2) bear interest at a rate that the [Maryland Energy Administration]  
13 **DEPARTMENT OF ENERGY** determines to be necessary and reasonable for the  
14 project; and

15 (3) be repayable in accordance with a schedule that the  
16 [Administration] **DEPARTMENT** sets, which may be on a deferred payment basis.

17 (e) (1) The [Maryland Energy Administration] **DEPARTMENT OF**  
18 **ENERGY** shall require a sponsor to provide assurances for the repayment of a loan.

19 (2) The assurances shall include a promissory note and may also  
20 include superior or subordinate mortgage liens, guarantees of repayment, or other  
21 forms of collateral.

22 (f) Loans may be made in conjunction with, or in addition to, financial  
23 assistance provided through other State or federal programs.

24 9-2107.

25 (a) The Fund is a continuing, nonlapsing, special fund, that consists of  
26 moneys appropriated by the State to the Program, including the Energy Overcharge  
27 Restitution Trust Fund, moneys received from other public or private sources, interest  
28 earnings on the Fund, and repayments and prepayments of principal and interest on  
29 loans made from the Fund.

1 (b) (1) The [Maryland Energy Administration] **DEPARTMENT OF**  
2 **ENERGY** shall annually reserve a portion of the funds available for financial  
3 assistance under the Program for loans to schools and hospitals.

4 (2) In a fiscal year in which requests for financial assistance from  
5 schools and hospitals are less than the amount reserved under paragraph (1) of this  
6 subsection, the [Administration] **DEPARTMENT** may make the unencumbered or  
7 noncommitted portion of the reserve available to other sponsors in the Program.

8 (c) The [Maryland Energy Administration] **DEPARTMENT OF ENERGY**  
9 may use the Fund to pay expenses of the Program and to provide loans to eligible  
10 sponsors and projects.

11 (d) (1) The State Treasurer shall hold and the State Comptroller shall  
12 account for the Fund.

13 (2) The Fund shall be invested and reinvested and any earnings shall  
14 be paid into the Fund for use in the Program.

15 (3) Any repayment of principal and interest on loans made from the  
16 Fund shall be paid into the Fund.

17 9-2108.

18 The [Maryland Energy Administration] **DEPARTMENT OF ENERGY** may enter  
19 into contracts with third parties to make, service, or settle loans made under this  
20 subtitle.

21 9-2109.

22 (a) A person may not knowingly make or cause to be made any false  
23 statement or report in any document required to be furnished to the [Maryland  
24 Energy Administration] **DEPARTMENT OF ENERGY** by any agreement relating to  
25 financial assistance.

26 (b) A person applying for financial assistance may not knowingly make or  
27 cause any false statement or report to be made for the purpose of influencing any  
28 action of the [Maryland Energy Administration] **DEPARTMENT OF ENERGY** on an  
29 application for financial assistance or for the purpose of influencing any action of the  
30 [Administration] **DEPARTMENT** affecting financial assistance already provided.

1           (c)    A person who violates subsection (a) or (b) of this section is guilty of a  
2 misdemeanor and on conviction is subject to a fine not exceeding \$50,000 or  
3 imprisonment not exceeding 1 year or both.

4           SECTION 2. AND BE IT FURTHER ENACTED, That all employees of the  
5 Maryland Energy Administration whose positions are transferred to the Department  
6 of Energy by this Act shall be so transferred on the effective date of this Act without  
7 any diminution of their rights, benefits, or employment and retirement status.

8           SECTION 3. AND BE IT FURTHER ENACTED, That, except as otherwise  
9 provided by law, all existing laws, rules and regulations, proposed rules and  
10 regulations, standards and guidelines, policies, orders and other directives, forms,  
11 plans, memberships, contracts, property, investigations, administrative and judicial  
12 responsibilities, rights to sue and be sued, and all other duties and responsibilities  
13 associated with the functions of the Maryland Energy Administration before the  
14 effective date of this Act shall continue in effect under the Department of Energy until  
15 completed, withdrawn, canceled, modified, or otherwise changed under law.

16           SECTION 4. AND BE IT FURTHER ENACTED, That all contracts,  
17 agreements, grants, or other obligations entered into by the Maryland Energy  
18 Administration before October 1, 2007, are hereby declared to be valid, legal, and  
19 binding obligations of the Department of Energy, enforceable in accordance with their  
20 terms.

21           SECTION 5. AND BE IT FURTHER ENACTED, That the publishers of the  
22 Annotated Code of Maryland, subject to the approval of the Department of Legislative  
23 Services, shall propose the correction of any agency names and titles throughout the  
24 Annotated Code that are rendered incorrect by this Act and any necessary corrections  
25 shall be ratified by passage of the Annual Corrective Bill of 2008.

26           SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 October 1, 2007.