

# SENATE BILL 23

M5, P1  
SB 105/25 – B&T

(PRE-FILED)

6lr1127  
CF 6lr1129

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By: Senator Kagan

Requested: October 8, 2025

Introduced and read first time: January 14, 2026

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Green and Renewable Energy Efficiency for Nonprofits (GREEN) Loan Program**  
3 **and Fund – Establishment**

4 FOR the purpose of establishing the Green and Renewable Energy Efficiency for Nonprofits  
5 Loan Program in the Maryland Clean Energy Center to provide financial assistance  
6 to nonprofit organizations for the planning, purchase, and installation of qualifying  
7 energy systems and for actions that improve energy efficiency; establishing the  
8 Green and Renewable Energy Efficiency for Nonprofits Loan Fund as a special,  
9 nonlapsing fund; requiring interest earnings of the Green and Renewable Energy  
10 Efficiency for Nonprofits Loan Fund to be paid into the Green and Renewable Energy  
11 Efficiency for Nonprofits Loan Fund; altering the uses of the Maryland Strategic  
12 Energy Investment Fund to include providing funds to the Green and Renewable  
13 Energy Efficiency for Nonprofits Loan Fund; and generally relating to the Green and  
14 Renewable Energy Efficiency for Nonprofits Loan Program and Fund.

15 BY renumbering  
16 Article – Economic Development  
17 Section 10–862 and the part “Part VII. Short Title”  
18 to be Section 10–871 and the part “Part VIII. Short Title”  
19 Annotated Code of Maryland  
20 (2024 Replacement Volume and 2025 Supplement)

21 BY adding to  
22 Article – Economic Development  
23 Section 10–862 through 10–868 to be under the new part “Part VII. Green and  
24 Renewable Energy Efficiency for Nonprofits Loan Program”  
25 Annotated Code of Maryland  
26 (2024 Replacement Volume and 2025 Supplement)

27 BY repealing and reenacting, without amendments,

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                   Article – State Finance and Procurement  
2                   Section 6–226(a)(2)(i) and (ii)  
3                   Annotated Code of Maryland  
4                   (2021 Replacement Volume and 2025 Supplement)

5    BY repealing and reenacting, with amendments,  
6                   Article – State Finance and Procurement  
7                   Section 6–226(a)(2)(iii)212. and 213.  
8                   Annotated Code of Maryland  
9                   (2021 Replacement Volume and 2025 Supplement)

10   BY adding to  
11                   Article – State Finance and Procurement  
12                   Section 6–226(a)(2)(iii)214.  
13                   Annotated Code of Maryland  
14                   (2021 Replacement Volume and 2025 Supplement)

15   BY repealing and reenacting, without amendments,  
16                   Article – State Government  
17                   Section 9–20B–05(a)  
18                   Annotated Code of Maryland  
19                   (2021 Replacement Volume and 2025 Supplement)

20   BY repealing and reenacting, with amendments,  
21                   Article – State Government  
22                   Section 9–20B–05(f)(13) and (14)  
23                   Annotated Code of Maryland  
24                   (2021 Replacement Volume and 2025 Supplement)

25   BY adding to  
26                   Article – State Government  
27                   Section 9–20B–05(f)(14)  
28                   Annotated Code of Maryland  
29                   (2021 Replacement Volume and 2025 Supplement)

30                   SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
31   That Section(s) 10–862 and the part “Part VII. Short Title” of Article – Economic  
32   Development of the Annotated Code of Maryland be renumbered to be Section(s) 10–871  
33   and the part “Part VIII. Short Title”.

34                   SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
35   as follows:

36                   **Article – Economic Development**

37                   **PART VII. GREEN AND RENEWABLE ENERGY EFFICIENCY FOR NONPROFITS LOAN  
38                   PROGRAM.**

1 10-862.

2 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS  
3 INDICATED.

4 (B) "BORROWER" MEANS A NONPROFIT ORGANIZATION THAT APPLIES AND  
5 QUALIFIES FOR A LOAN UNDER THE PROGRAM.

6 (C) "FUND" MEANS THE GREEN AND RENEWABLE ENERGY EFFICIENCY  
7 FOR NONPROFITS LOAN FUND.

8 (D) "NONPROFIT ORGANIZATION" MEANS AN ORGANIZATION THAT IS  
9 EXEMPT FROM FEDERAL INCOME TAX UNDER § 501(C)(3) OF THE INTERNAL  
10 REVENUE CODE.

11 (E) "PROGRAM" MEANS THE GREEN AND RENEWABLE ENERGY  
12 EFFICIENCY FOR NONPROFITS LOAN PROGRAM.

13 (F) "QUALIFYING ENERGY SYSTEM" MEANS A SYSTEM THAT:

14 (1) GENERATES ELECTRICITY OR USABLE THERMAL ENERGY THAT IS  
15 USED TO MEET ON-SITE DEMAND; AND

16 (2) ASSISTS THE STATE IN MEETING THE ENVIRONMENTAL AND  
17 GREENHOUSE GAS REDUCTION GOALS UNDER TITLE 2, SUBTITLE 12 OF THE  
18 ENVIRONMENT ARTICLE.

19 10-863.

20 THERE IS A GREEN AND RENEWABLE ENERGY EFFICIENCY FOR NONPROFITS  
21 LOAN PROGRAM IN THE CENTER.

22 10-864.

23 THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE IN  
24 THE FORM OF NO-INTEREST LOANS TO NONPROFIT ORGANIZATIONS FOR:

25 (1) THE PLANNING, PURCHASE, AND INSTALLATION OF QUALIFYING  
26 ENERGY SYSTEMS IN THE STATE; AND

27 (2) ACTIONS THAT IMPROVE ENERGY EFFICIENCY, SUCH AS  
28 REPAIRING OR REPLACING WINDOWS, DOORS, AND HEATING, VENTILATION, AND  
29 AIR-CONDITIONING SYSTEMS AND OTHER SIMILAR IMPROVEMENTS.

1 10-865.

2 THE CENTER SHALL:

3 (1) MANAGE, SUPERVISE, AND ADMINISTER THE PROGRAM;

4 (2) ADOPT REGULATIONS TO ENSURE THAT LOANS PROVIDED TO

5 NONPROFIT ORGANIZATIONS CARRY OUT THE PURPOSE OF THE PROGRAM; AND

6 (3) ATTACH TO ANY LOAN SPECIFIC TERMS THAT ARE CONSIDERED

7 NECESSARY TO ENSURE THAT THE PURPOSE OF THE PROGRAM IS FULFILLED.

8 10-866.

9 (A) (1) A BORROWER MUST FILE AN APPLICATION WITH THE CENTER TO

10 RECEIVE A LOAN UNDER THE PROGRAM.

11 (2) THE APPLICATION MUST BE SIGNED BY THE CHIEF OPERATING

12 OFFICER OR AN AUTHORIZED OFFICER OF THE NONPROFIT ORGANIZATION.

13 (B) THE APPLICATION MUST CONTAIN ANY INFORMATION THE CENTER

14 DETERMINES IS NECESSARY, INCLUDING:

15 (1) THE PROJECTED COST OF THE QUALIFYING ENERGY SYSTEM,

16 ENERGY EFFICIENCY ACTION, OR TECHNICAL ASSISTANCE BEING FINANCED

17 THROUGH THE LOAN;

18 (2) THE LOCATION OF THE PROPERTY WHERE THE QUALIFYING

19 ENERGY SYSTEM WILL BE INSTALLED OR AN ENERGY EFFICIENCY ACTION WILL

20 OCCUR AND WHETHER THE PROPERTY IS OWNED OR LEASED BY THE APPLICANT;

21 AND

22 (3) ANY ADDITIONAL INFORMATION RELATING TO THE BORROWER OR

23 THE PROPOSED QUALIFYING ENERGY SYSTEM OR ENERGY EFFICIENCY ACTION

24 BEING FINANCED THROUGH THE LOAN THAT MAY BE REQUIRED BY THE CENTER TO

25 ADMINISTER THE PROGRAM.

26 (C) THE CENTER MAY APPROVE AN APPLICATION FOR A LOAN SPECIFIED IN

27 § 10-867(A)(1) OF THIS SUBTITLE ONLY IF THE APPLICATION DEMONSTRATES THAT

28 THE PROPOSED QUALIFYING ENERGY SYSTEM OR ENERGY EFFICIENCY ACTION IS

29 ESTIMATED, BASED ON PROJECTED ENERGY COSTS, TO GENERATE ENERGY COST

30 SAVINGS OVER THE USEFUL LIFE OF THE SYSTEM OR ENERGY EFFICIENCY ACTION

31 THAT EQUAL OR EXCEED THE TOTAL AMORTIZED COST OF THE LOAN.

1       (D) IN APPROVING AN APPLICATION, THE CENTER SHALL CONSIDER AND  
2 GIVE PRIORITY TO AN APPLICANT THAT HAS AN ANNUAL BUDGET OF \$1,000,000 OR  
3 LESS.

4       **10-867.**

5       (A) LOANS FROM THE FUND MAY BE USED FOR:

6           (1) THE PURCHASE AND INSTALLATION OF A QUALIFYING ENERGY  
7 SYSTEM, INCLUDING ANY NECESSARY ANCILLARY MACHINERY, EQUIPMENT, OR  
8 FURNISHINGS;

9           (2) TECHNICAL ASSISTANCE FOR THE PLANNING AND INSTALLATION  
10 OF A QUALIFYING ENERGY SYSTEM; AND

11           (3) ACTIONS THAT IMPROVE ENERGY EFFICIENCY, SUCH AS  
12 REPAIRING OR REPLACING WINDOWS, DOORS, AND HEATING, VENTILATION, AND  
13 AIR-CONDITIONING SYSTEMS AND OTHER SIMILAR IMPROVEMENTS.

14       (B) EACH BORROWER FOR A LOAN UNDER SUBSECTION (A)(1) OF THIS  
15 SECTION SHALL CONTRIBUTE AT LEAST 10% OF THE COST OF THE QUALIFYING  
16 ENERGY SYSTEM OR ENERGY EFFICIENCY ACTION.

17       (C) (1) LOANS MADE UNDER THE PROGRAM SHALL BE REPAYABLE BY  
18 THE BORROWER IN ACCORDANCE WITH A SCHEDULE SET BY THE CENTER.

19           (2) THE SCHEDULE SET BY THE CENTER MAY BE ON A DEFERRED  
20 PAYMENT BASIS.

21       (D) (1) A BORROWER SHALL PROVIDE ASSURANCES FOR THE  
22 REPAYMENT OF A LOAN.

23           (2) THE ASSURANCES:

24               (I) SHALL INCLUDE A PROMISSORY NOTE; AND

25               (II) MAY INCLUDE A PLAN FOR REPAYMENT.

26       (E) LOANS MAY BE MADE IN CONJUNCTION WITH OR IN ADDITION TO  
27 FINANCIAL ASSISTANCE PROVIDED THROUGH OTHER STATE OR FEDERAL  
28 PROGRAMS.

29       **10-868.**

1       (A) THERE IS A GREEN AND RENEWABLE ENERGY EFFICIENCY FOR  
2 NONPROFITS LOAN FUND.

3       (B) THE CENTER SHALL ADMINISTER THE FUND.

4       (C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT  
5 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

6       (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,  
7 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

8       (D) THE FUND CONSISTS OF:

9           (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE PROGRAM;

10          (2) MONEY TRANSFERRED FROM THE STRATEGIC ENERGY  
11 INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THE STATE GOVERNMENT  
12 ARTICLE;

13          (3) MONEY RECEIVED FROM ANY PUBLIC OR PRIVATE SOURCE;

14          (4) INTEREST AND INVESTMENT EARNINGS OF THE FUND; AND

15          (5) REPAYMENTS AND PREPAYMENTS ON LOANS MADE FROM THE  
16 FUND.

17       (E) (1) IN FISCAL YEAR 2028, THE GOVERNOR MAY INCLUDE IN THE  
18 ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000 FOR THE FUND.

19          (2) IN FISCAL YEAR 2029, THE GOVERNOR MAY INCLUDE IN THE  
20 ANNUAL BUDGET BILL AN APPROPRIATION EQUAL TO AT LEAST \$5,000,000 MINUS  
21 THE AMOUNT IN THE FUND AS OF JUNE 30 OF THE IMMEDIATELY PRECEDING  
22 FISCAL YEAR.

23       (F) THE FUND MAY BE USED ONLY:

24           (1) TO PAY THE EXPENSES OF THE PROGRAM; AND

25           (2) TO PROVIDE LOANS TO ELIGIBLE BORROWERS UNDER THE  
26 PROGRAM.

27       (G) (1) THE STATE TREASURER SHALL INVEST AND REINVEST THE  
28 MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE  
29 INVESTED.

5 10-869. RESERVED.

6 10-870. RESERVED.

## Article – State Finance and Procurement

8 6-226.

9 (a) (2) (i) This paragraph does not apply in fiscal years 2024 through 2028.

16 (iii) The provisions of subparagraph (ii) of this paragraph do not  
17 apply to the following funds:

18 212. the Department of Social and Economic Mobility Special  
19 Fund; [and]

20 213. the Population Health Improvement Fund; AND

## 4. THE GREEN AND RENEWABLES

27 (13) notwithstanding subsection (g) of this section, to pay costs associated  
28 with the Air and Radiation Administration within the Department of the Environment;  
29 [and]

5 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2027, the  
6 Maryland Clean Energy Center shall:

10 (2) set guidelines and considerations for application, selection, and  
11 repayment that include:

12 (i) nonprofit organizations that own, rather than rent, their  
13 buildings;

14 (ii) property size and kilowatt-hours of energy used;

15 (iii) geographic diversity;

16 (iv) ethnic and racial diversity;

17 (v) economic diversity;

18 (vi) nonprofit organization mission diversity;

19 (vii) access to the borrower's portion of the cost of the qualifying  
20 energy system; and

21 (viii) process and frequency of loan repayment; and

22 (3) develop and implement an advertising campaign for the Green and  
23 Renewable Energy Efficiency for Nonprofits Loan Program.

24 SECTION 4. AND BE IT FURTHER ENACTED, That Sections 1 and 2 of this Act  
25 shall take effect July 1, 2027.

26 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section  
27 4 of this Act, this Act shall take effect July 1, 2026.