

SENATE BILL 23

M5, P1
SB 105/25 – B&T

(PRE-FILED)

6lr1127
CF 6lr1129

By: **Senator Kagan**

Requested: October 8, 2025

Introduced and read first time: January 14, 2026

Assigned to: Budget and Taxation

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,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – State Finance and Procurement

Section 6–226(a)(2)(i) and (ii)

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(iii)212. and 213.

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

BY adding to

Article – State Finance and Procurement

Section 6–226(a)(2)(iii)214.

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government

Section 9–20B–05(a)

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–20B–05(f)(13) and (14)

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

BY adding to

Article – State Government

Section 9–20B–05(f)(14)

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That Section(s) 10–862 and the part “Part VII. Short Title” of Article – Economic Development of the Annotated Code of Maryland be renumbered to be Section(s) 10–871 and the part “Part VIII. Short Title”.

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

Article – Economic Development

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

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

10-867.

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

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

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

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

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

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

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

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

(2) THE ASSURANCES:

(I) SHALL INCLUDE A PROMISSORY NOTE; AND

(II) MAY INCLUDE A PLAN FOR REPAYMENT.

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

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.**

(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO THE FUND.

(3) ANY REPAYMENT ON LOANS MADE FROM THE FUND SHALL BE PAID INTO THE FUND.

10-869. RESERVED.

10-870. RESERVED.

Article – State Finance and Procurement

6-226.

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

(ii) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

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

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

213. the Population Health Improvement Fund; AND

214. THE GREEN AND RENEWABLE ENERGY EFFICIENCY FOR NONPROFITS LOAN FUND.

Article – State Government

9-20B-05.

(a) There is a Maryland Strategic Energy Investment Fund.

(f) The Administration shall use the Fund:

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

(14) TO PROVIDE FUNDS TO THE GREEN AND RENEWABLE ENERGY EFFICIENCY FOR NONPROFITS LOAN FUND ESTABLISHED UNDER § 10-868 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND

[(14)] (15) to pay the expenses of the Program.

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

(1) establish an application process for loans made under the Green and Renewable Energy Efficiency for Nonprofits Loan Program in Title 10, Subtitle 8 of the Economic Development Article, as enacted by Section 2 of this Act;

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

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

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

(iii) geographic diversity;

(iv) ethnic and racial diversity;

(v) economic diversity;

(vi) nonprofit organization mission diversity;

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

(viii) process and frequency of loan repayment; and

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

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

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