

HOUSE BILL 660

P1, M5
HB 1248/23 – ECM & APP

4r1769
CF SB 169

By: **Delegate Charkoudian**

Introduced and read first time: January 25, 2024

Assigned to: Economic Matters and Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Green and Renewable Energy for Nonprofit Organizations Loan Program and**
3 **Fund**

4 FOR the purpose of establishing the Green and Renewable Energy for Nonprofit
5 Organizations Loan Program in the Maryland Energy Administration to provide
6 financial assistance to nonprofit organizations for the planning, purchase, and
7 installation of qualifying energy systems; establishing the Green and Renewable
8 Energy for Nonprofit Organizations Loan Fund as a special, nonlapsing fund;
9 requiring interest earnings of the Fund to be paid into the Fund; and generally
10 relating to the Green and Renewable Energy for Nonprofit Organizations Loan
11 Program and Fund.

12 BY adding to

13 Article – State Government
14 Section 9–2101 through 9–2107 to be under the new subtitle “Subtitle 21. Green and
15 Renewable Energy for Nonprofit Organizations Loan Program”
16 Annotated Code of Maryland
17 (2021 Replacement Volume and 2023 Supplement)

18 BY repealing and reenacting, without amendments,

19 Article – State Finance and Procurement
20 Section 6–226(a)(2)(i)
21 Annotated Code of Maryland
22 (2021 Replacement Volume and 2023 Supplement)

23 BY repealing and reenacting, with amendments,

24 Article – State Finance and Procurement
25 Section 6–226(a)(2)(ii)189. and 190.
26 Annotated Code of Maryland
27 (2021 Replacement Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – State Finance and Procurement
3 Section 6–226(a)(2)(ii)191.
4 Annotated Code of Maryland
5 (2021 Replacement Volume and 2023 Supplement)

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

8 **Article – State Government**

9 **SUBTITLE 21. GREEN AND RENEWABLE ENERGY FOR NONPROFIT**
10 **ORGANIZATIONS LOAN PROGRAM.**

11 **9–2101.**

12 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
13 INDICATED.

14 (B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY
15 ADMINISTRATION.

16 (C) “BORROWER” MEANS A NONPROFIT ORGANIZATION THAT APPLIES AND
17 QUALIFIES FOR A LOAN UNDER THE PROGRAM.

18 (D) “FUND” MEANS THE GREEN AND RENEWABLE ENERGY FOR
19 NONPROFIT ORGANIZATIONS LOAN FUND.

20 (E) “NONPROFIT ORGANIZATION” MEANS AN ORGANIZATION THAT IS
21 EXEMPT FROM FEDERAL INCOME TAX UNDER § 501(C)(3) OF THE INTERNAL
22 REVENUE CODE.

23 (F) “PROGRAM” MEANS THE GREEN AND RENEWABLE ENERGY FOR
24 NONPROFIT ORGANIZATIONS LOAN PROGRAM.

25 (G) “QUALIFYING ENERGY SYSTEM” MEANS A SYSTEM THAT:

26 (1) GENERATES ELECTRICITY OR USABLE THERMAL ENERGY THAT IS
27 USED TO MEET ON–SITE DEMAND; AND

28 (2) ASSISTS THE STATE IN MEETING THE ENVIRONMENTAL AND
29 GREENHOUSE GAS REDUCTION GOALS UNDER TITLE 2, SUBTITLE 12 OF THE
30 ENVIRONMENT ARTICLE.

31 **9–2102.**

1 **THERE IS A GREEN AND RENEWABLE ENERGY FOR NONPROFIT**
2 **ORGANIZATIONS LOAN PROGRAM IN THE ADMINISTRATION.**

3 **9-2103.**

4 **THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE IN**
5 **THE FORM OF NO-INTEREST LOANS TO NONPROFIT ORGANIZATIONS FOR THE**
6 **PLANNING, PURCHASE, AND INSTALLATION OF QUALIFYING ENERGY SYSTEMS IN**
7 **THE STATE.**

8 **9-2104.**

9 **THE ADMINISTRATION SHALL:**

10 **(1) MANAGE, SUPERVISE, AND ADMINISTER THE PROGRAM;**

11 **(2) ADOPT REGULATIONS TO ENSURE THAT LOANS PROVIDED TO**
12 **NONPROFIT ORGANIZATIONS CARRY OUT THE PURPOSE OF THE PROGRAM; AND**

13 **(3) ATTACH TO ANY LOAN SPECIFIC TERMS THAT ARE CONSIDERED**
14 **NECESSARY TO ENSURE THAT THE PURPOSE OF THE PROGRAM IS FULFILLED.**

15 **9-2105.**

16 **(A) (1) A BORROWER MUST FILE AN APPLICATION WITH THE**
17 **ADMINISTRATION TO RECEIVE A LOAN UNDER THE PROGRAM.**

18 **(2) THE APPLICATION MUST BE SIGNED BY THE CHIEF OPERATING**
19 **OFFICER OR AN AUTHORIZED OFFICER OF THE NONPROFIT ORGANIZATION.**

20 **(B) THE APPLICATION MUST CONTAIN ANY INFORMATION THE**
21 **ADMINISTRATION DETERMINES IS NECESSARY, INCLUDING:**

22 **(1) THE PROJECTED COST OF THE QUALIFYING ENERGY SYSTEM OR**
23 **TECHNICAL ASSISTANCE BEING FINANCED THROUGH THE LOAN;**

24 **(2) THE LOCATION OF THE PROPERTY WHERE THE QUALIFYING**
25 **ENERGY SYSTEM WILL BE INSTALLED AND WHETHER THE PROPERTY IS OWNED OR**
26 **LEASED BY THE APPLICANT; AND**

27 **(3) ANY ADDITIONAL INFORMATION RELATING TO THE BORROWER OR**
28 **THE PROPOSED QUALIFYING ENERGY SYSTEM BEING FINANCED THROUGH THE**
29 **LOAN THAT MAY BE REQUIRED BY THE ADMINISTRATION TO ADMINISTER THE**

1 **PROGRAM.**

2 (C) THE ADMINISTRATION MAY APPROVE AN APPLICATION FOR A LOAN
3 UNDER § 9-2106(A)(1) OF THIS SUBTITLE ONLY IF THE APPLICATION
4 DEMONSTRATES THAT THE PROPOSED QUALIFYING ENERGY SYSTEM IS ESTIMATED,
5 BASED ON PROJECTED ENERGY COSTS, TO GENERATE ENERGY COST SAVINGS OVER
6 THE USEFUL LIFE OF THE SYSTEM THAT EQUAL OR EXCEED THE TOTAL AMORTIZED
7 COST OF THE LOAN.

8 (D) IN APPROVING AN APPLICATION, THE ADMINISTRATION SHALL
9 CONSIDER AND GIVE PRIORITY TO AN APPLICANT THAT HAS AN ANNUAL BUDGET OF
10 \$1,000,000 OR LESS.

11 **9-2106.**

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

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

16 (2) TECHNICAL ASSISTANCE FOR THE PLANNING AND INSTALLATION
17 OF A QUALIFYING ENERGY SYSTEM.

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

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

23 (2) THE SCHEDULE SET BY THE ADMINISTRATION MAY BE ON A
24 DEFERRED PAYMENT BASIS.

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

27 (2) THE ASSURANCES:

28 (I) SHALL INCLUDE A PROMISSORY NOTE; AND

29 (II) MAY INCLUDE A PLAN FOR REPAYMENT.

30 (E) LOANS MAY BE MADE IN CONJUNCTION WITH OR IN ADDITION TO

1 FINANCIAL ASSISTANCE PROVIDED THROUGH OTHER STATE OR FEDERAL
2 PROGRAMS.

3 9-2107.

4 (A) THERE IS A GREEN AND RENEWABLE ENERGY FOR NONPROFIT
5 ORGANIZATIONS LOAN FUND.

6 (B) THE ADMINISTRATION SHALL ADMINISTER THE FUND.

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

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

11 (D) THE FUND CONSISTS OF:

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

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

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

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

17 (E) (1) IN FISCAL YEAR 2026, THE GOVERNOR MAY INCLUDE IN THE
18 ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000 FOR THE FUND.

19 (2) IN FISCAL YEAR 2027, 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.

- 1 (v) economic diversity;
- 2 (vi) nonprofit organization mission diversity;
- 3 (vii) access to the borrower's portion of the cost of the qualifying
- 4 energy system; and
- 5 (viii) process and frequency of loan repayment; and
- 6 (3) develop and implement an advertising campaign for the Green and
- 7 Renewable Energy for Nonprofit Organizations Loan Program.

8 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take

9 effect July 1, 2025.

10 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section

11 3 of this Act, this Act shall take effect July 1, 2024.