

SENATE BILL 745

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Q3
HB 985/00 - W&M

2001 Regular Session
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By: **Senators Van Hollen, Colburn, Conway, Dyson, Exum, Ferguson,
Forehand, Frosh, Green, Hollinger, Hughes, Kelley, McFadden,
Middleton, Munson, Roesser, Ruben, Sfikas, and Stone**

Introduced and read first time: February 2, 2001
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit for Green Buildings**

3 FOR the purpose of providing for credits against the State income tax for certain costs
4 for construction or rehabilitation of buildings and certain equipment to meet
5 certain energy efficiency and environmental standards; allowing certain unused
6 credit to be carried forward to certain taxable years; providing for issuance of
7 certain initial credit component certificates by the Maryland Energy
8 Administration; limiting the annual and aggregate amount of initial credit
9 component certificates that the Administration may issue; prohibiting the
10 Administration from issuing an initial credit component certificate after a
11 certain date; requiring a taxpayer claiming a credit to obtain and file with the
12 income tax return a certain eligibility certificate from an architect or
13 professional engineer regarding compliance with certain requirements;
14 requiring a taxpayer claiming a credit to maintain certain records and submit
15 certain information to the Administration; authorizing the Comptroller, the
16 Administration, and the Department of the Environment to adopt certain
17 regulations; requiring the Comptroller and the Administration to submit a
18 certain report to the Governor and the General Assembly by a certain date;
19 requiring the Administration, in consultation with the Department of the
20 Environment, to adopt certain regulations establishing certain standards by a
21 certain date; requiring the Department of the Environment, in consultation with
22 the Department of Health and Mental Hygiene, to adopt certain regulations
23 establishing certain standards by a certain date; defining certain terms;
24 providing for the application of this Act; and generally relating to State income
25 tax credits for buildings, building components, and equipment that meet certain
26 energy efficiency and environmental standards.

27 BY adding to
28 Article - Tax - General
29 Section 10-722
30 Annotated Code of Maryland
31 (1997 Replacement Volume and 2000 Supplement)

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

3 **Article - Tax - General**

4 10-722.

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
6 INDICATED.

7 (2) "ADMINISTRATION" MEANS THE MARYLAND ENERGY
8 ADMINISTRATION.

9 (3) (I) "ALLOWABLE COSTS" MEANS AMOUNTS PROPERLY
10 CHARGEABLE TO CAPITAL ACCOUNT, OTHER THAN FOR LAND, THAT ARE PAID OR
11 INCURRED ON OR AFTER JULY 1, 2001, FOR:

12 1. CONSTRUCTION OR REHABILITATION;

13 2. COMMISSIONING COSTS;

14 3. INTEREST PAID OR INCURRED DURING THE
15 CONSTRUCTION OR REHABILITATION PERIOD;

16 4. LEGAL, ARCHITECTURAL, ENGINEERING, AND OTHER
17 PROFESSIONAL FEES ALLOCABLE TO CONSTRUCTION OR REHABILITATION;

18 5. CLOSING COSTS FOR CONSTRUCTION, REHABILITATION,
19 OR MORTGAGE LOANS;

20 6. RECORDING TAXES AND FILING FEES INCURRED WITH
21 RESPECT TO CONSTRUCTION OR REHABILITATION;

22 7. SITE COSTS, INCLUDING TEMPORARY ELECTRIC WIRING,
23 SCAFFOLDING, DEMOLITION COSTS, AND FENCING AND SECURITY FACILITIES; AND

24 8. FURNITURE, CARPETING, PARTITIONS, WALLS AND WALL
25 COVERINGS, CEILINGS, DRAPES, BLINDS, LIGHTING, PLUMBING, ELECTRICAL
26 WIRING, AND VENTILATION.

27 (II) "ALLOWABLE COSTS" DOES NOT INCLUDE:

28 1. THE COST OF TELEPHONE SYSTEMS AND COMPUTERS,
29 OTHER THAN ELECTRICAL WIRING COSTS; OR

30 2. THE COST OF PURCHASING OR INSTALLING FUEL CELLS,
31 WIND TURBINES, OR PHOTOVOLTAIC MODULES.

32 (4) "APPLICABLE ENERGY EFFICIENCY STANDARDS" MEANS
33 ASHRAE/IESNA STANDARD 90.1-1999, ENERGY STANDARD FOR BUILDINGS EXCEPT

1 LOW-RISE RESIDENTIAL BUILDINGS, PUBLISHED BY THE AMERICAN SOCIETY OF
2 HEATING, REFRIGERATING AND AIR-CONDITIONING ENGINEERS.

3 (5) "BASE BUILDING" MEANS ALL AREAS OF A BUILDING NOT INTENDED
4 FOR OCCUPANCY BY A TENANT OR OWNER, INCLUDING THE STRUCTURAL
5 COMPONENTS OF THE BUILDING, EXTERIOR WALLS, FLOORS, WINDOWS, ROOFS,
6 FOUNDATIONS, CHIMNEYS AND STACKS, PARKING AREAS, MECHANICAL ROOMS AND
7 MECHANICAL SYSTEMS, AND OWNER-CONTROLLED OR OPERATED SERVICE SPACES,
8 SIDEWALKS, MAIN LOBBY, SHAFTS AND VERTICAL TRANSPORTATION MECHANISMS,
9 STAIRWAYS, AND CORRIDORS.

10 (6) "COMMISSIONING" MEANS:

11 (I) THE TESTING AND FINE-TUNING OF HEAT, VENTILATING, AND
12 AIR-CONDITIONING SYSTEMS AND OTHER SYSTEMS TO ASSURE PROPER
13 FUNCTIONING AND ADHERENCE TO DESIGN CRITERIA; AND

14 (II) THE PREPARATION OF SYSTEM OPERATION MANUALS AND
15 INSTRUCTION OF MAINTENANCE PERSONNEL.

16 (7) "CREDIT ALLOWANCE YEAR" MEANS THE LATER OF:

17 (I) THE TAXABLE YEAR DURING WHICH THE PROPERTY,
18 CONSTRUCTION, COMPLETION, OR REHABILITATION ON WHICH THE CREDIT
19 ALLOWED UNDER THIS SECTION IS BASED IS ORIGINALLY PLACED IN SERVICE; OR

20 (II) THE FIRST TAXABLE YEAR FOR WHICH THE CREDIT MAY BE
21 CLAIMED UNDER THE INITIAL CREDIT COMPONENT CERTIFICATE ISSUED UNDER
22 SUBSECTION (L) OF THIS SECTION.

23 (8) "ELIGIBLE BUILDING" MEANS A BUILDING LOCATED IN THE STATE
24 THAT IS:

25 (I) 1. A BUILDING USED PRIMARILY FOR NONRESIDENTIAL
26 PURPOSES IF THE BUILDING CONTAINS AT LEAST 20,000 SQUARE FEET OF INTERIOR
27 SPACE;

28 2. A RESIDENTIAL MULTIFAMILY BUILDING WITH AT LEAST
29 12 DWELLING UNITS THAT CONTAINS AT LEAST 20,000 SQUARE FEET OF INTERIOR
30 SPACE; OR

31 3. ANY COMBINATION OF BUILDINGS DESCRIBED IN ITEM (I)
32 OR (II) OF THIS PARAGRAPH; AND

33 (II) IF THE BUILDING IS A NEWLY CONSTRUCTED BUILDING FOR
34 WHICH A CERTIFICATE OF OCCUPANCY WAS NOT ISSUED BEFORE JULY 1, 2000:

35 1. THE BUILDING IS LOCATED IN A STATE-APPROVED
36 PRIORITY FUNDING AREA; AND

1 (I) AN AREA DESIGNATED AS AN ENTERPRISE ZONE BY THE
2 SECRETARY UNDER ARTICLE 83A, § 5-402 OF THE CODE OR BY THE UNITED STATES
3 GOVERNMENT;

4 (II) AN AREA DESIGNATED AS AN EMPOWERMENT ZONE BY THE
5 UNITED STATES GOVERNMENT PURSUANT TO 26 U.S.C. § 1391 ET SEQ.; OR

6 (III) AN AREA DESIGNATED AS AN ELIGIBLE NEIGHBORHOOD FOR
7 ECONOMIC REVITALIZATION ASSISTANCE UNDER ARTICLE 83B, § 4-203 OF THE CODE.

8 (16) "TENANT IMPROVEMENTS" MEANS IMPROVEMENTS THAT ARE
9 NECESSARY OR APPROPRIATE TO SUPPORT OR CONDUCT THE BUSINESS OF A
10 TENANT OR OCCUPYING OWNER.

11 (17) "TENANT SPACE" MEANS THE PORTION OF A BUILDING INTENDED
12 FOR OCCUPANCY BY A TENANT OR OCCUPYING OWNER.

13 (B) (1) AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST
14 THE STATE INCOME TAX AS PROVIDED UNDER THIS SECTION FOR GREEN BUILDINGS
15 AND GREEN BUILDING COMPONENTS.

16 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE
17 STATE INCOME TAX, ANY UNUSED CREDIT MAY BE CARRIED FORWARD AND APPLIED
18 FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

19 (I) THE FULL AMOUNT OF THE CREDIT IS USED; OR

20 (II) THE EXPIRATION OF THE 15TH YEAR AFTER THE TAXABLE
21 YEAR FOR WHICH THE CREDIT WAS ALLOWED.

22 (3) IF AN ELIGIBLE BUILDING IS OWNED BY THE STATE, A POLITICAL
23 SUBDIVISION OF THE STATE, THE FEDERAL GOVERNMENT, A FOREIGN
24 GOVERNMENT, OR A NOT-FOR-PROFIT ORGANIZATION EXEMPT FROM STATE
25 INCOME TAX, THE CREDIT ALLOWED UNDER THIS SECTION MAY BE CLAIMED BY
26 EITHER THE ARCHITECT OF THE BUILDING, THE GENERAL CONTRACTOR OF THE
27 BUILDING, OR BOTH, PROVIDED THAT:

28 (I) ANY CLAIM OF CREDIT HAS BEEN FULLY DISCLOSED TO THE
29 OWNER OF THE BUILDING, AS EVIDENCED BY THE SEAL OR SIGNATURE OF THE
30 OWNER ON THE APPLICATION OF THE TAXPAYER FOR AN INITIAL CREDIT
31 COMPONENT CERTIFICATE TO BE ISSUED UNDER SUBSECTION (L) OF THIS SECTION;
32 AND

33 (II) THE TOTAL AMOUNT OF CREDIT CLAIMED BY MORE THAN ONE
34 TAXPAYER FOR THE SAME ELIGIBLE BUILDING MAY NOT EXCEED 100% OF THE
35 CREDIT ALLOWED FOR THE BUILDING UNDER THIS SECTION.

36 (C) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE CREDIT
37 ALLOWED UNDER THIS SECTION EQUALS THE SUM OF THE CREDIT COMPONENTS AS
38 SPECIFIED IN SUBSECTIONS (D) THROUGH (I) OF THIS SECTION.

1 (2) THE CREDIT MAY NOT BE ALLOWED UNLESS THE TAXPAYER HAS
2 COMPLIED WITH THE REQUIREMENTS FOR REPORTS TO THE ADMINISTRATION
3 UNDER SUBSECTION (M) OF THIS SECTION.

4 (3) FOR EACH OF THE CREDIT COMPONENTS UNDER SUBSECTIONS (D)
5 THROUGH (I) OF THIS SECTION:

6 (I) THE CREDIT MAY NOT BE ALLOWED FOR ANY TAXABLE YEAR
7 UNLESS:

8 1. THE TAXPAYER HAS OBTAINED AND FILED AN INITIAL
9 CREDIT COMPONENT CERTIFICATE AND AN ELIGIBILITY CERTIFICATE ISSUED
10 UNDER SUBSECTION (L) OF THIS SECTION;

11 2. A CERTIFICATE OF OCCUPANCY FOR THE BUILDING HAS
12 BEEN ISSUED; AND

13 3. THE PROPERTY WITH RESPECT TO WHICH THE CREDIT IS
14 CLAIMED IS IN SERVICE DURING THE TAXABLE YEAR;

15 (II) THE CREDIT AMOUNT ALLOWED FOR THE CREDIT COMPONENT
16 MAY BE CLAIMED:

17 1. FOR THE CREDIT ALLOWANCE YEAR; AND

18 2. FOR EACH OF THE 4 TAXABLE YEARS SUCCEEDING THE
19 CREDIT ALLOWANCE YEAR; AND

20 (III) THE TOTAL CREDIT ALLOWED IN THE AGGREGATE FOR THE
21 CREDIT ALLOWANCE YEAR AND THE 4 TAXABLE YEARS SUCCEEDING THE CREDIT
22 ALLOWANCE YEAR MAY NOT EXCEED THE MAXIMUM SET FORTH IN THE INITIAL
23 CREDIT COMPONENT CERTIFICATE OBTAINED UNDER SUBSECTION (L) OF THIS
24 SECTION.

25 (4) IN DETERMINING THE AMOUNT OF THE CREDIT COMPONENTS, A
26 COST PAID OR INCURRED MAY NOT BE THE BASIS FOR MORE THAN ONE CREDIT
27 COMPONENT.

28 (5) (I) IF A BUILDING FOR WHICH A CREDIT IS ALLOWED TO A
29 BUILDING OWNER UNDER THIS SECTION IS SOLD, THE NEW OWNER MAY CLAIM THE
30 CREDIT FOR THE PERIOD AFTER THE SALE.

31 (II) IF A TENANCY FOR A BUILDING FOR WHICH A CREDIT IS
32 ALLOWED TO A TENANT UNDER THIS SECTION IS TERMINATED BUT THE PROPERTY
33 REMAINS IN USE BY A SUCCESSOR TENANT, THE SUCCESSOR TENANT MAY CLAIM
34 THE CREDIT FOR THE PERIOD AFTER THE TERMINATION.

35 (III) THE CREDIT FOR THE YEAR OF A SALE OR THE YEAR OF
36 TERMINATION OF A TENANCY SHALL BE ALLOCATED BETWEEN THE PARTIES BASED

1 ON THE NUMBER OF DAYS DURING THE YEAR THAT THE PROPERTY OR INTEREST
2 WAS HELD OR USED BY EACH.

3 (IV) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, IF A
4 CREDIT IS CLAIMED BY A SUCCESSOR OWNER OR TENANT UNDER THIS PARAGRAPH,
5 THE COMPTROLLER MAY DISCLOSE TO THE SUCCESSOR OWNER OR TENANT ANY
6 INFORMATION RELATING TO THE CREDIT OF THE PRIOR OWNER OR TENANT THAT IS
7 THE BASIS FOR THE DENIAL IN WHOLE OR IN PART OF THE CREDIT CLAIMED BY THE
8 SUCCESSOR OWNER OR TENANT.

9 (D) (1) THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN AMOUNT
10 EQUAL TO THE APPLICABLE PERCENTAGE OF THE ALLOWABLE COSTS PAID OR
11 INCURRED BY AN OWNER OR TENANT FOR THE CONSTRUCTION OF A GREEN
12 BUILDING OR THE REHABILITATION OF A BUILDING THAT IS NOT A GREEN BUILDING
13 TO BE A GREEN BUILDING.

14 (2) THE APPLICABLE PERCENTAGE FOR THE CREDIT COMPONENT
15 UNDER THIS SUBSECTION FOR A GREEN WHOLE BUILDING ELIGIBLE SHALL BE:

16 (I) 1.4% UNLESS THE BUILDING IS LOCATED IN A REVITALIZATION
17 AREA; OR

18 (II) 1.6% IF THE BUILDING IS LOCATED IN A REVITALIZATION AREA.

19 (3) THE ALLOWABLE COSTS USED TO DETERMINE THE CREDIT AMOUNT
20 ALLOWED UNDER THIS SUBSECTION FOR A GREEN WHOLE BUILDING MAY NOT
21 EXCEED, IN THE AGGREGATE:

22 (I) \$150 PER SQUARE FOOT FOR THAT PORTION OF THE BUILDING
23 THAT COMPRISES THE BASE BUILDING; AND

24 (II) \$75 PER SQUARE FOOT FOR THAT PORTION OF THE BUILDING
25 THAT COMPRISES THE TENANT SPACE.

26 (E) (1) THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN AMOUNT
27 EQUAL TO THE APPLICABLE PERCENTAGE OF THE ALLOWABLE COSTS PAID OR
28 INCURRED BY AN OWNER FOR THE CONSTRUCTION OF A GREEN BASE BUILDING OR
29 THE REHABILITATION OF A BUILDING THAT IS NOT A GREEN BASE BUILDING TO BE A
30 GREEN BASE BUILDING.

31 (2) THE APPLICABLE PERCENTAGE FOR THE CREDIT COMPONENT
32 UNDER THIS SUBSECTION FOR A GREEN BASE BUILDING SHALL BE:

33 (I) 1.0% UNLESS THE BUILDING IS LOCATED IN A REVITALIZATION
34 AREA; OR

35 (II) 1.2% IF THE BUILDING IS LOCATED IN A REVITALIZATION AREA.

1 (3) THE ALLOWABLE COSTS USED TO DETERMINE THE CREDIT AMOUNT
2 ALLOWED UNDER THIS SUBSECTION FOR A GREEN BASE BUILDING MAY NOT
3 EXCEED, IN THE AGGREGATE, \$150 PER SQUARE FOOT.

4 (F) (1) THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN AMOUNT
5 EQUAL TO THE APPLICABLE PERCENTAGE OF THE ALLOWABLE COSTS FOR TENANT
6 IMPROVEMENTS PAID OR INCURRED BY AN OWNER OR TENANT IN THE
7 CONSTRUCTION OR COMPLETION OF GREEN TENANT SPACE OR THE
8 REHABILITATION OF TENANT SPACE THAT IS NOT GREEN TENANT SPACE TO BE
9 GREEN TENANT SPACE.

10 (2) THE APPLICABLE PERCENTAGE FOR THE CREDIT COMPONENT
11 UNDER THIS SUBSECTION FOR GREEN TENANT SPACE SHALL BE:

12 (I) 1.0% UNLESS THE BUILDING IS LOCATED IN A REVITALIZATION
13 AREA; OR

14 (II) 1.2% IF THE BUILDING IS LOCATED IN A REVITALIZATION AREA.

15 (3) (I) THE ALLOWABLE COSTS USED TO DETERMINE THE CREDIT
16 AMOUNT ALLOWED UNDER THIS SUBSECTION FOR GREEN TENANT SPACE MAY NOT
17 EXCEED, IN THE AGGREGATE, \$75 PER SQUARE FOOT.

18 (II) IF AN OWNER AND TENANT BOTH INCUR ALLOWABLE COSTS
19 FOR TENANT IMPROVEMENTS UNDER THIS SUBSECTION AND THE COSTS EXCEED \$75
20 IN THE AGGREGATE, THE OWNER HAS PRIORITY AS TO COSTS CONSTITUTING THE
21 BASIS FOR THE GREEN TENANT SPACE CREDIT COMPONENT UNDER THIS
22 SUBSECTION.

23 (4) UNLESS THE BASE BUILDING IS A GREEN BASE BUILDING, THE
24 CREDIT COMPONENT UNDER THIS SECTION FOR GREEN TENANT SPACE MAY NOT BE
25 CLAIMED BY AN OWNER OF THE BUILDING OR BY A TENANT THAT OCCUPIES FEWER
26 THAN 10,000 SQUARE FEET OF THE BUILDING.

27 (G) (1) THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN AMOUNT
28 EQUAL TO THE AMOUNT DETERMINED UNDER THIS SUBSECTION FOR THE
29 INSTALLATION OF A FUEL CELL THAT IS A QUALIFYING ALTERNATE ENERGY
30 SOURCE AND IS INSTALLED TO SERVE A GREEN BUILDING, GREEN BASE BUILDING,
31 OR GREEN TENANT SPACE.

32 (2) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION IS
33 6% OF THE SUM OF THE CAPITALIZED COSTS PAID OR INCURRED BY AN OWNER OR
34 TENANT WITH RESPECT TO EACH FUEL CELL INSTALLED, INCLUDING THE COST OF
35 THE FOUNDATION OR PLATFORM AND THE LABOR COSTS ASSOCIATED WITH
36 INSTALLATION.

37 (3) THE COSTS USED TO DETERMINE THE CREDIT AMOUNT ALLOWED
38 UNDER THIS SUBSECTION FOR INSTALLATION OF A FUEL CELL:

1 (I) MAY NOT EXCEED \$1,000 PER KILOWATT OF INSTALLED DC
2 RATED CAPACITY OF THE FUEL CELL; AND

3 (II) SHALL BE REDUCED BY THE AMOUNT OF ANY FEDERAL, STATE,
4 OR LOCAL GRANT:

5 1. RECEIVED BY THE TAXPAYER AND USED FOR THE
6 PURCHASE OR INSTALLATION OF THE FUEL CELL; AND

7 2. NOT INCLUDED IN THE FEDERAL GROSS INCOME OF THE
8 TAXPAYER.

9 (H) (1) THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN AMOUNT
10 EQUAL TO THE AMOUNT DETERMINED UNDER THIS SUBSECTION FOR THE
11 INSTALLATION OF PHOTOVOLTAIC MODULES THAT CONSTITUTE A QUALIFYING
12 ALTERNATE ENERGY SOURCE AND ARE INSTALLED TO SERVE A GREEN BUILDING,
13 GREEN BASE BUILDING, OR GREEN TENANT SPACE.

14 (2) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION
15 IS:

16 (I) 20% OF THE INCREMENTAL COST PAID OR INCURRED BY AN
17 OWNER OR TENANT FOR BUILDING-INTEGRATED PHOTOVOLTAIC MODULES; AND

18 (II) 5% OF THE COST OF NONBUILDING-INTEGRATED
19 PHOTOVOLTAIC MODULES, INCLUDING THE COST OF THE FOUNDATION OR
20 PLATFORM AND THE LABOR COSTS ASSOCIATED WITH INSTALLATION.

21 (3) THE COSTS USED TO DETERMINE THE CREDIT AMOUNT ALLOWED
22 UNDER THIS SUBSECTION FOR INSTALLATION OF PHOTOVOLTAIC MODULES:

23 (I) MAY NOT EXCEED THE PRODUCT OBTAINED BY MULTIPLYING
24 \$3 TIMES THE NUMBER OF WATTS INCLUDED IN THE DC RATED CAPACITY OF THE
25 PHOTOVOLTAIC MODULES; AND

26 (II) SHALL BE REDUCED BY THE AMOUNT OF ANY FEDERAL, STATE,
27 OR LOCAL GRANT:

28 1. RECEIVED BY THE TAXPAYER AND USED FOR THE
29 PURCHASE OR INSTALLATION OF THE PHOTOVOLTAIC EQUIPMENT; AND

30 2. NOT INCLUDED IN THE FEDERAL GROSS INCOME OF THE
31 TAXPAYER.

32 (4) A CREDIT MAY NOT BE CLAIMED UNDER THIS SUBSECTION FOR THE
33 INSTALLATION OF PHOTOVOLTAIC MODULES IF THE CREDIT UNDER § 10-719 OF THIS
34 SUBTITLE IS CLAIMED WITH RESPECT TO THE PHOTOVOLTAIC MODULES.

35 (I) (1) THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN AMOUNT
36 EQUAL TO THE AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION

1 FOR THE INSTALLATION OF A WIND TURBINE THAT IS A QUALIFYING ALTERNATIVE
2 ENERGY SOURCE AND IS INSTALLED TO SERVE A GREEN BUILDING, GREEN BASE
3 BUILDING, OR GREEN TENANT SPACE.

4 (2) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION IS
5 5% OF THE SUM OF THE CAPITALIZED COSTS PAID OR INCURRED BY AN OWNER OR
6 TENANT WITH RESPECT TO EACH WIND TURBINE INSTALLED, INCLUDING THE COST
7 OF THE FOUNDATION OR PLATFORM AND THE LABOR COSTS ASSOCIATED WITH
8 INSTALLATION.

9 (J) (1) TO QUALIFY AS A GREEN BASE BUILDING ELIGIBLE FOR THE TAX
10 CREDITS UNDER THIS SECTION, A BASE BUILDING SHALL MEET THE REQUIREMENTS
11 OF THIS SUBSECTION.

12 (2) (I) ENERGY USE SHALL BE NO MORE THAN 65% FOR NEW
13 CONSTRUCTION OF A BASE BUILDING, OR 75% IN THE CASE OF REHABILITATION OF A
14 BASE BUILDING, OF THE ENERGY USE ATTRIBUTABLE TO A REFERENCE BUILDING
15 WHICH MEETS THE REQUIREMENTS OF APPLICABLE ENERGY EFFICIENCY
16 STANDARDS.

17 (II) ALL APPLIANCES AND ANY HEATING, COOLING, AND WATER
18 HEATING EQUIPMENT USED IN THE BASE BUILDING SHALL MEET APPLICABLE
19 ENERGY EFFICIENCY STANDARDS.

20 (3) (I) 1. THE BASE BUILDING SHALL COMPLY WITH ALL
21 APPLICABLE ZONING, LAND USE, AND EROSION CONTROL REQUIREMENTS,
22 STORMWATER MANAGEMENT ORDINANCES, BUILDING CODE REQUIREMENTS, AND
23 ENVIRONMENTAL REGULATIONS.

24 2. FOR THE REHABILITATION OF AN EXISTING BUILDING,
25 ALL EXISTING ENVIRONMENTAL HAZARDS SHALL BE IDENTIFIED AND MANAGED IN
26 ACCORDANCE WITH APPLICABLE LAWS, REGULATIONS, AND INDUSTRY GUIDELINES.

27 (II) FOR A BUILDING USED PRIMARILY FOR NONRESIDENTIAL
28 PURPOSES, THE BUILDING SHALL MEET THE FOLLOWING INDOOR AIR QUALITY
29 REQUIREMENTS:

30 1. VENTILATION AND EXCHANGE OF INDOOR AND OUTDOOR
31 AIR SHALL MEET APPLICABLE STANDARDS ESTABLISHED BY REGULATIONS
32 ADOPTED BY THE DEPARTMENT OF THE ENVIRONMENT, IN CONSULTATION WITH
33 THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, UNDER SUBSECTION (N) OF
34 THIS SECTION;

35 2. IF SMOKING IS PERMITTED IN SPECIFIC AREAS OF THE
36 BUILDING, SEPARATE AIR VENTILATION AND CIRCULATION SHALL BE PROVIDED
37 FOR SMOKING AND NONSMOKING AREAS;

38 3. THE VENTILATION SYSTEM SHALL INCLUDE AN AIR
39 PURGING SYSTEM THAT IS CAPABLE OF REPLACING 100% OF THE AIR ON ANY FLOOR;
40 AND

1 4. THE AIR SHALL BE PURGED FOR A PERIOD OF 1 WEEK ON
2 EVERY FLOOR IMMEDIATELY PRIOR TO INITIAL OCCUPANCY AND ON ANY FLOOR
3 THAT UNDERGOES RENOVATION IMMEDIATELY PRIOR TO RE-OCCUPANCY, UNLESS
4 THE TAXPAYER OBTAINS CERTIFICATION FROM A LICENSED ARCHITECT, ENGINEER,
5 CERTIFIED INDUSTRIAL HYGIENIST, OR OTHER LICENSED OR CERTIFIED
6 PROFESSIONAL APPROVED BY THE SECRETARY OF THE ENVIRONMENT, VERIFYING
7 THAT OFF-GASSING AND ANY OTHER CONTAMINATION CAN BE REDUCED TO
8 COMPARABLE LEVELS IN LESS THAT 1 WEEK.

9 (4) BUILDING FRESH AIR INTAKE SHALL BE LOCATED A MINIMUM OF 25
10 FEET AWAY FROM LOADING AREAS, BUILDING EXHAUST FANS, PLUMBING SYSTEM
11 AND SEWER VENTS, COOLING TOWERS, AND OTHER POINT SOURCES OF
12 CONTAMINATION.

13 (5) THE VENTILATION SYSTEM COMPONENTS AND PATHWAYS:

14 (I) SHALL BE PROTECTED DURING CONSTRUCTION OR
15 REHABILITATION FROM CONTAMINATION IN ACCORDANCE WITH AN INDOOR AIR
16 QUALITY MANAGEMENT PLAN FOR THE CONSTRUCTION OR REHABILITATION
17 PROCESS THAT MEETS THE STANDARDS ESTABLISHED IN REGULATIONS ADOPTED
18 BY THE DEPARTMENT OF THE ENVIRONMENT, IN CONSULTATION WITH THE
19 DEPARTMENT OF HEALTH AND MENTAL HYGIENE, UNDER SUBSECTION (N) OF THIS
20 SECTION; OR

21 (II) SHALL BE CLEANED PRIOR TO OCCUPANCY.

22 (6) (I) A LICENSED ENGINEER, CERTIFIED INDUSTRIAL HYGIENIST,
23 OR OTHER LICENSED OR CERTIFIED PROFESSIONAL APPROVED BY THE SECRETARY
24 OF THE ENVIRONMENT, SHALL CONDUCT INDOOR AIR QUALITY TESTING WITH
25 RESPECT TO THE ENTIRE BUILDING IMMEDIATELY FOLLOWING OCCUPANCY AND ON
26 AN ANNUAL BASIS, IN EACH OF THE 4 SUCCESSIVE YEARS THEREAFTER, TO MONITOR
27 SUPPLY AND RETURN AIR AND AMBIENT AIR FOR CARBON MONOXIDE, CARBON
28 DIOXIDE, TOTAL VOLATILE ORGANIC COMPOUNDS, RADON, AND PARTICULATE
29 MATTER.

30 (II) AFTER RADON MEASUREMENTS HAVE BEEN FOUND TO BE
31 SATISFACTORY, SUBSEQUENT ANNUAL TESTING FOR RADON IS NOT REQUIRED
32 UNDER THIS PARAGRAPH.

33 (7) THE MECHANICAL PLANT OF THE BUILDING SHALL BE
34 COMMISSIONED IN ACCORDANCE WITH THE STANDARDS ESTABLISHED IN
35 REGULATIONS ADOPTED BY THE ADMINISTRATION, IN CONSULTATION WITH THE
36 DEPARTMENT OF THE ENVIRONMENT, WHICH STANDARDS SHALL BE INFORMED BY
37 DOCUMENTS SUCH AS THE AMERICAN SOCIETY OF HEATING, REFRIGERATING AND
38 AIR CONDITIONING ENGINEERS ASHRAE G-1 AND THE UNITED STATES GENERAL
39 SERVICES ADMINISTRATION "MODEL COMMISSIONING PLAN AND GUIDE
40 SPECIFICATIONS".

41 (8) SEPARATE WASTE DISPOSAL CHUTES OR A CAROUSEL COMPACTOR
42 SYSTEM FOR RECYCLABLE MATERIALS SHALL BE PROVIDED FOR THE RECYCLING OF

1 WASTE BY OCCUPANTS, OR RECYCLING SHALL BE OTHERWISE FACILITATED BY, AT A
2 MINIMUM, PROVIDING A READILY ACCESSIBLE DESIGNATED COLLECTION AREA OR
3 AREAS WITH SUFFICIENT SPACE TO STORE RECYCLABLE MATERIALS SEPARATELY
4 BETWEEN COLLECTION DATES.

5 (9) PRIOR TO INITIAL OCCUPANCY AND ON REQUEST, THE OWNER OF
6 THE BUILDING SHALL PROVIDE EACH TENANT WITH:

7 (I) WRITTEN NOTIFICATION OF THE OPPORTUNITY TO APPLY FOR
8 A TAX CREDIT UNDER THIS SECTION; AND

9 (II) WRITTEN GUIDELINES REGARDING OPPORTUNITIES TO
10 IMPROVE THE ENERGY EFFICIENCY AND AIR QUALITY OF TENANT SPACE AND TO
11 REDUCE AND RECYCLE WASTE STREAMS.

12 (10) ALL NEWLY PURCHASED BUILDING MATERIALS, FINISHES, AND
13 FURNISHINGS USED IN THE BASE BUILDING THAT ARE SUBJECT TO THE
14 REGULATIONS ADOPTED BY THE DEPARTMENT OF THE ENVIRONMENT, IN
15 CONSULTATION WITH THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, UNDER
16 SUBSECTION (N) OF THIS SECTION, SHALL MEET THE STANDARDS ESTABLISHED BY
17 THOSE REGULATIONS IN EFFECT AT THE TIME THE BUILDING OR REHABILITATION
18 IS PLACED IN SERVICE.

19 (11) ALL TENANT SPACE IN THE BUILDING OCCUPIED BY THE OWNER
20 MUST BE GREEN TENANT SPACE.

21 (K) (1) TO QUALIFY AS GREEN TENANT SPACE ELIGIBLE FOR THE TAX
22 CREDIT UNDER THIS SECTION, TENANT SPACE SHALL MEET THE REQUIREMENTS OF
23 THIS SUBSECTION.

24 (2) (I) ENERGY USE FOR TENANT SPACE SHALL BE NO MORE THAN
25 65% IN THE CASE OF NEW CONSTRUCTION, OR 75% IN THE CASE OF REHABILITATION,
26 OF THE ENERGY USE ATTRIBUTABLE TO A REFERENCE EXAMPLE OF TENANT SPACE
27 CONSTRUCTION OR REHABILITATION WHICH MEETS THE REQUIREMENTS OF THE
28 APPLICABLE ENERGY EFFICIENCY STANDARDS.

29 (II) ALL APPLIANCES AND ANY HEATING, COOLING, AND WATER
30 HEATING EQUIPMENT USED IN THE TENANT SPACE SHALL MEET APPLICABLE
31 ENERGY EFFICIENCY STANDARDS.

32 (3) (I) THE TENANT SPACE SHALL COMPLY WITH ALL APPLICABLE
33 BUILDING CODE REQUIREMENTS AND ENVIRONMENTAL REGULATIONS AND, WITH
34 RESPECT TO PROJECTS OTHER THAN NEW CONSTRUCTION, ALL EXISTING
35 ENVIRONMENTAL HAZARDS SHALL BE IDENTIFIED AND MANAGED IN ACCORDANCE
36 WITH APPLICABLE LAWS, REGULATIONS, AND INDUSTRY GUIDELINES.

37 (II) IN THE CASE OF BUILDINGS PRIMARILY USED FOR
38 NONRESIDENTIAL PURPOSES, VENTILATION AND EXCHANGE OF INDOOR AND
39 OUTDOOR AIR SHALL MEET THE STANDARDS ESTABLISHED IN REGULATIONS

1 ADOPTED BY THE DEPARTMENT OF THE ENVIRONMENT, IN CONSULTATION WITH
2 THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE.

3 (III) FOR BUILDINGS IN WHICH SMOKING IS PERMITTED, THE
4 TAXPAYER SHALL ENSURE THAT, IF SMOKING IS PERMITTED IN THE TENANT SPACE,
5 IT IS PERMITTED ONLY IN AREAS IN WHICH THE AIR VENTILATION AND
6 CIRCULATION IS SEPARATE FROM THAT FOR NONSMOKING AREAS.

7 (4) THE VENTILATION SYSTEM COMPONENTS AND PATHWAYS:

8 (I) SHALL BE PROTECTED DURING CONSTRUCTION OR
9 REHABILITATION FROM CONTAMINATION IN ACCORDANCE WITH AN INDOOR AIR
10 QUALITY MANAGEMENT PLAN FOR THE CONSTRUCTION OR REHABILITATION
11 PROCESS THAT MEETS THE STANDARDS ESTABLISHED IN REGULATIONS ADOPTED
12 BY THE DEPARTMENT OF THE ENVIRONMENT, IN CONSULTATION WITH THE
13 DEPARTMENT OF HEALTH AND MENTAL HYGIENE, UNDER SUBSECTION (N) OF THIS
14 SECTION; OR

15 (II) SHALL BE CLEANED PRIOR TO OCCUPANCY.

16 (5) (I) A LICENSED ENGINEER, CERTIFIED INDUSTRIAL HYGIENIST,
17 OR OTHER LICENSED OR CERTIFIED PROFESSIONAL APPROVED BY THE SECRETARY
18 OF THE ENVIRONMENT, SHALL CONDUCT INDOOR AIR QUALITY TESTING WITH
19 RESPECT TO THE TENANT SPACE IMMEDIATELY FOLLOWING OCCUPANCY AND ON
20 AN ANNUAL BASIS, IN EACH OF THE 4 SUCCESSIVE YEARS THEREAFTER, TO MONITOR
21 SUPPLY AND RETURN AIR AND AMBIENT AIR FOR CARBON MONOXIDE, CARBON
22 DIOXIDE, TOTAL VOLATILE ORGANIC COMPOUNDS, RADON, AND PARTICULATE
23 MATTER.

24 (II) AFTER RADON MEASUREMENTS HAVE BEEN FOUND TO BE
25 SATISFACTORY, SUBSEQUENT ANNUAL TESTING FOR RADON IS NOT REQUIRED
26 UNDER THIS PARAGRAPH.

27 (6) ALL NEWLY PURCHASED BUILDING MATERIALS, FINISHES, AND
28 FURNISHINGS USED IN THE TENANT SPACE THAT ARE SUBJECT TO THE
29 REGULATIONS ADOPTED BY THE DEPARTMENT OF THE ENVIRONMENT, IN
30 CONSULTATION WITH THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, UNDER
31 SUBSECTION (N) OF THIS SECTION SHALL MEET THE STANDARDS ESTABLISHED BY
32 THOSE REGULATIONS IN EFFECT AT THE TIME THE IMPROVEMENTS WITH RESPECT
33 TO WHICH THE CREDIT UNDER THIS SECTION IS CLAIMED IS PLACED IN SERVICE.

34 (L) (1) (I) ON APPLICATION BY A TAXPAYER, THE ADMINISTRATION
35 SHALL ISSUE AN INITIAL CREDIT COMPONENT CERTIFICATE IF THE TAXPAYER HAS
36 MADE A SHOWING THAT THE TAXPAYER IS LIKELY WITHIN A REASONABLE TIME TO
37 PLACE IN SERVICE PROPERTY FOR WHICH A CREDIT UNDER THIS SECTION WOULD
38 BE ALLOWED.

39 (II) THE INITIAL CREDIT COMPONENT CERTIFICATE ISSUED
40 UNDER THIS PARAGRAPH:

1 1. SHALL STATE THE FIRST TAXABLE YEAR FOR WHICH THE
2 CREDIT MAY BE CLAIMED AND AN EXPIRATION DATE; AND

3 2. SHALL APPLY ONLY TO PROPERTY PLACED IN SERVICE ON
4 OR BEFORE THE EXPIRATION DATE.

5 (III) TO AVOID UNWARRANTED HARDSHIP, THE ADMINISTRATION AT
6 ITS DISCRETION MAY EXTEND THE EXPIRATION DATE STATED UNDER AN INITIAL
7 CREDIT COMPONENT CERTIFICATE.

8 (IV) THE INITIAL CREDIT COMPONENT CERTIFICATE SHALL STATE
9 THE MAXIMUM AMOUNT OF CREDIT COMPONENT ALLOWABLE IN THE AGGREGATE
10 FOR THE 5 TAXABLE YEARS FOR WHICH THE CREDIT COMPONENT IS ALLOWED.

11 (V) THE ADMINISTRATION MAY NOT ISSUE INITIAL CREDIT
12 COMPONENT CERTIFICATES, IN THE AGGREGATE, FOR MORE THAN \$25,000,000
13 WORTH OF CREDIT COMPONENTS.

14 (VI) EXCEPT AS PROVIDED IN SUBPARAGRAPH (VII) OF THIS
15 PARAGRAPH, INITIAL CREDIT COMPONENT CERTIFICATES SHALL BE LIMITED IN
16 THEIR APPLICABILITY, AS FOLLOWS:

17 CREDIT COMPONENTS IN THE	
18 AGGREGATE MAY NOT BE	WITH RESPECT TO TAXABLE
19 ALLOWED FOR MORE THAN:	YEARS BEGINNING
20 \$1 MILLION	2002
21 \$2 MILLION	2003
22 \$3 MILLION	2004
23 \$4 MILLION	2005
24 \$5 MILLION	2006
25 \$4 MILLION	2007
26 \$3 MILLION	2008
27 \$2 MILLION	2009
28 \$1 MILLION	2010

29 (VII) AS OF THE END OF A CALENDAR YEAR, IF CERTIFICATES FOR
30 CREDIT COMPONENT AMOUNTS TOTALING LESS THAN THE AMOUNT PERMITTED
31 WITH RESPECT TO TAXABLE YEARS BEGINNING IN THAT CALENDAR YEAR HAVE
32 BEEN ISSUED, THE MAXIMUM AMOUNT THAT MAY BE ALLOWED FOR TAXABLE YEARS
33 BEGINNING IN THE SUBSEQUENT CALENDAR YEAR SHALL BE INCREASED BY THE
34 AMOUNT OF THE PRECEDING YEAR'S SHORTFALL.

35 (VIII) THE ADMINISTRATION MAY NOT ISSUE AN INITIAL CREDIT
36 COMPONENT CERTIFICATE AFTER DECEMBER 31, 2005.

37 (2) (I) FOR EACH TAXABLE YEAR FOR WHICH A TAXPAYER CLAIMS A
38 CREDIT UNDER THIS SECTION WITH RESPECT TO A GREEN BUILDING, GREEN BASE
39 BUILDING, GREEN TENANT SPACE, FUEL CELL, PHOTOVOLTAIC MODULES, OR WIND
40 TURBINE, THE TAXPAYER SHALL OBTAIN AN ELIGIBILITY CERTIFICATE FROM AN
41 ARCHITECT OR PROFESSIONAL ENGINEER LICENSED TO PRACTICE IN THIS STATE.

1 (II) AN ELIGIBILITY CERTIFICATE ISSUED UNDER THIS PARAGRAPH
2 SHALL CONSIST OF A CERTIFICATION, UNDER THE SEAL OF THE ARCHITECT OR
3 ENGINEER, THAT THE PROPERTY THAT IS THE BASIS FOR THE CREDIT IS CLAIMED
4 REMAINS IN SERVICE AND THAT:

5 1. THE BUILDING, BASE BUILDING, OR TENANT SPACE WITH
6 RESPECT TO WHICH THE CREDIT IS CLAIMED IS A GREEN BUILDING, GREEN BASE
7 BUILDING, OR GREEN TENANT SPACE; AND

8 2. ANY FUEL CELL, WIND TURBINE, OR PHOTOVOLTAIC
9 MODULE WITH RESPECT TO WHICH THE CREDIT IS CLAIMED CONSTITUTES A
10 QUALIFYING ALTERNATE ENERGY SOURCE AND IS FULLY OPERATIONAL.

11 (III) THE CERTIFICATION UNDER SUBPARAGRAPH (II) OF THIS
12 PARAGRAPH:

13 1. SHALL BE MADE IN ACCORDANCE WITH THE STANDARDS
14 AND GUIDELINES IN EFFECT AT THE TIME THAT THE PROPERTY THAT IS THE BASIS
15 FOR THE CREDIT WAS PLACED IN SERVICE; AND

16 2. SHALL SET FORTH THE SPECIFIC FINDINGS ON WHICH
17 THE CERTIFICATION WAS BASED.

18 (IV) THE TAXPAYER SHALL FILE THE ELIGIBILITY CERTIFICATE
19 AND THE ASSOCIATED INITIAL CREDIT COMPONENT CERTIFICATE WITH THE
20 TAXPAYER'S INCOME TAX RETURN AND SHALL FILE DUPLICATE COPIES WITH THE
21 ADMINISTRATION.

22 (V) THE ELIGIBILITY CERTIFICATE SHALL INCLUDE:

23 1. SUFFICIENT INFORMATION TO IDENTIFY EACH BUILDING
24 OR SPACE; AND

25 2. ANY OTHER INFORMATION THAT THE ADMINISTRATION
26 OR THE COMPTROLLER REQUIRES BY REGULATION.

27 (3) IF THE ADMINISTRATION HAS REASON TO BELIEVE THAT AN
28 ARCHITECT OR PROFESSIONAL ENGINEER, IN MAKING ANY CERTIFICATION UNDER
29 THIS SUBSECTION, ENGAGED IN PROFESSIONAL MISCONDUCT, THE
30 ADMINISTRATION SHALL INFORM THE APPROPRIATE PROFESSIONAL BOARD OF THE
31 SUSPECTED MISCONDUCT.

32 (M) (1) EACH TAXPAYER SHALL, FOR ANY TAXABLE YEAR FOR WHICH THE
33 GREEN BUILDING CREDIT PROVIDED FOR UNDER THIS SECTION IS CLAIMED,
34 MAINTAIN RECORDS OF THE FOLLOWING INFORMATION:

35 (I) ANNUAL ENERGY CONSUMPTION FOR THE BUILDING, BASE
36 BUILDING, OR TENANT SPACE;

37 (II) ANNUAL RESULTS OF AIR MONITORING;

1 (III) ANNUAL CONFIRMATION THAT THE BUILDING, BASE
2 BUILDING, OR TENANT SPACE CONTINUES TO MEET REQUIREMENTS REGARDING
3 SMOKING AREAS, IF PROVIDED;

4 (IV) TENANT GUIDELINES REFERRED TO IN SUBSECTION (J)(10) OF
5 THIS SECTION, IF APPLICABLE;

6 (V) ALL WRITTEN NOTIFICATION OF TENANTS AND REQUESTS TO
7 REMEDY ANY INDOOR AIR QUALITY PROBLEMS;

8 (VI) INITIAL AND ANNUAL (BY MONTH) RESULTS OF VALIDATION OF
9 PERFORMANCE OF PHOTOVOLTAIC MODULES, WIND TURBINES, AND FUEL CELLS;
10 AND

11 (VII) CERTIFICATIONS AS TO OFF-GASSING AND OTHER
12 CONTAMINATION, AS REQUIRED IN SUBSECTION (J)(3) OF THIS SECTION, WHERE
13 APPLICABLE.

14 (2) (I) EACH TAXPAYER SHALL PROVIDE THE ADMINISTRATION THE
15 INFORMATION DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, IN THE FORM
16 AND AT THE TIME REQUIRED BY THE ADMINISTRATION.

17 (II) THE ADMINISTRATION SHALL DETERMINE THE TIMES FOR
18 FILING THE INFORMATION REQUIRED UNDER SUBPARAGRAPH (I) OF THIS
19 PARAGRAPH IN CONSULTATION WITH THE COMPTROLLER.

20 (III) THE INFORMATION REQUIRED UNDER THIS PARAGRAPH SHALL
21 BE PROVIDED TO THE ADMINISTRATION FOR EACH TAXABLE YEAR FOR WHICH THE
22 TAXPAYER CLAIMS A CREDIT UNDER THIS SECTION.

23 (3) (I) THE COMPTROLLER, THE ADMINISTRATION, AND THE
24 SECRETARY OF THE ENVIRONMENT MAY ADOPT REGULATIONS NECESSARY TO
25 CARRY OUT THE PROVISIONS OF THIS SECTION.

26 (II) REGULATIONS ADOPTED UNDER THIS SECTION SHALL
27 CONSTRUE THE PROVISIONS OF THIS SECTION IN SUCH A MANNER AS TO
28 ENCOURAGE THE DEVELOPMENT OF GREEN BUILDINGS, GREEN BASE BUILDINGS,
29 AND GREEN TENANT SPACE AND TO MAINTAIN HIGH BUT COMMERCIALY
30 REASONABLE STANDARDS FOR OBTAINING TAX CREDITS UNDER THIS SECTION.

31 (4) ON OR BEFORE APRIL 1, 2009, THE COMPTROLLER AND THE
32 ADMINISTRATION, JOINTLY AND IN CONSULTATION WITH THE DEPARTMENT OF THE
33 ENVIRONMENT, SHALL SUBMIT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF
34 THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, A WRITTEN
35 REPORT REGARDING:

36 (I) THE NUMBER OF CERTIFICATIONS AND TAXPAYERS CLAIMING
37 THE CREDIT UNDER THIS SECTION;

38 (II) THE AMOUNT OF THE CREDITS CLAIMED;

1 (III) THE GEOGRAPHICAL DISTRIBUTION OF THE CREDITS CLAIMED;
2 AND

3 (IV) ANY OTHER AVAILABLE INFORMATION THE ADMINISTRATION
4 DETERMINES TO BE MEANINGFUL AND APPROPRIATE.

5 (5) THE COMPTROLLER AND THE ADMINISTRATION SHALL ENSURE
6 THAT THE INFORMATION IS PRESENTED AND CLASSIFIED IN A MANNER CONSISTENT
7 WITH THE CONFIDENTIALITY OF TAX RETURN INFORMATION.

8 (6) (I) THE ADMINISTRATION SHALL MAKE RECOMMENDATIONS
9 REGARDING THE ESTABLISHMENT OF A PERMANENT GREEN BUILDING TAX CREDIT
10 PROGRAM.

11 (II) RECOMMENDATIONS MAY INCLUDE METHODS TO ENHANCE
12 THE EFFECTIVENESS, SIMPLICITY, OR OTHER ASPECTS OF THE PROGRAM.

13 (N) (1) ON OR BEFORE DECEMBER 1, 2001, THE ADMINISTRATION, IN
14 CONSULTATION WITH THE DEPARTMENT OF THE ENVIRONMENT, SHALL ADOPT THE
15 FOLLOWING, WITH RESPECT TO BASE BUILDINGS:

16 (I) REGULATIONS ESTABLISHING STANDARDS FOR ENERGY USE
17 FOR ELIGIBLE BUILDINGS, CONSISTENT WITH SUBSECTION (J)(2) OF THIS SECTION,
18 TO BE REVIEWED AND UPDATED AT LEAST EVERY 2 YEARS;

19 (II) REGULATIONS ESTABLISHING STANDARDS FOR APPLIANCES
20 AND HEATING, COOLING, AND WATER HEATING EQUIPMENT THAT, AS OF JULY 1,
21 2001, WERE COVERED BY SPECIFICATIONS FROM ORGANIZATIONS SUCH AS THE
22 UNITED STATES DEPARTMENT OF ENERGY OR THE ENVIRONMENTAL PROTECTION
23 AGENCY, WHICH REGULATIONS SHALL BE INFORMED BY THOSE SPECIFICATIONS,
24 AND WHICH REGULATIONS SHALL BE REVIEWED AND UPDATED AT LEAST EVERY 2
25 YEARS;

26 (III) REGULATIONS SPECIFYING THE METHODOLOGY BY WHICH A
27 TAXPAYER SHALL DEMONSTRATE COMPLIANCE WITH SUBSECTION (J)(2) OF THIS
28 SECTION, TO INCLUDE, AT A MINIMUM, A REQUIREMENT TO CONDUCT HOURLY
29 COMPUTER MODELING FOR 1 FULL YEAR; AND

30 (IV) REGULATIONS ESTABLISHING STANDARDS FOR THE
31 COMMISSIONING OF BUILDINGS.

32 (2) ON OR BEFORE DECEMBER 1, 2001, THE DEPARTMENT OF THE
33 ENVIRONMENT, IN CONSULTATION WITH THE DEPARTMENT OF HEALTH AND
34 MENTAL HYGIENE, SHALL ADOPT REGULATIONS ESTABLISHING STANDARDS, WITH
35 RESPECT TO BASE BUILDINGS, FOR:

36 (I) VENTILATION AND EXCHANGE OF INDOOR AND OUTDOOR AIR;

37 (II) INDOOR AIR QUALITY MANAGEMENT PLANS FOR THE
38 CONSTRUCTION OR REHABILITATION PROCESS; AND

1 (III) INDOOR AIR QUALITY WITH RESPECT TO LEVELS OF CARBON
2 MONOXIDE, CARBON DIOXIDE AND TOTAL VOLATILE ORGANIC COMPOUNDS, RADON,
3 AND PARTICULATE MATTER.

4 (3) (I) IN THIS PARAGRAPH, "BUILDING MATERIALS, FINISHES, AND
5 FURNISHINGS" INCLUDES:

- 6 1. CONCRETE AND CONCRETE MASONRY UNITS;
- 7 2. WOOD AND WOOD PRODUCTS;
- 8 3. MILLWORK SUBSTRATES;
- 9 4. INSULATION;
- 10 5. CERAMIC, CERAMIC/GLASS, AND CEMENTITIOUS TILES;
- 11 6. CEILING TILES AND PANELS;
- 12 7. FLOORING AND CARPET;
- 13 8. PAINTS, COATINGS, SEALANTS, AND ADHESIVES; AND
- 14 9. FURNITURE.

15 (II) ON OR BEFORE DECEMBER 1, 2001, THE DEPARTMENT OF THE
16 ENVIRONMENT, IN CONSULTATION WITH THE ADMINISTRATION, SHALL ADOPT THE
17 FOLLOWING, WITH RESPECT TO BASE BUILDINGS:

18 1. REGULATIONS ESTABLISHING STANDARDS FOR BUILDING
19 MATERIALS, FINISHES, AND FURNISHINGS REGARDING MINIMUM PERCENTAGES OF
20 RECYCLED CONTENT AND RENEWABLE SOURCE MATERIAL AND MAXIMUM LEVELS
21 OF TOXICITY AND VOLATILE ORGANIC COMPOUNDS AND ANY OTHER STANDARDS
22 THAT THE DEPARTMENT DETERMINES APPROPRIATE, WHICH REGULATIONS SHALL
23 BE INFORMED BY THE LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN
24 GREEN BUILDING RATING SYSTEM CRITERIA BEING DEVELOPED BY THE UNITED
25 STATES GREEN BUILDING COUNCIL, AND WHICH REGULATIONS TO BE REVIEWED
26 AND UPDATED AT LEAST EVERY 2 YEARS;

27 2. REGULATIONS ESTABLISHING STANDARDS AS FOLLOWS:

28 A. FOR A NEWLY CONSTRUCTED BUILDING, A REQUIREMENT
29 THAT THE FIRST INCH OF STORMWATER RUNOFF FROM ALL IMPERVIOUS SURFACES
30 SHALL BE DIRECTED TO A STORMWATER INFILTRATION MEASURE OR, IF SOIL
31 CONDITIONS ARE NOT SUITED TO INFILTRATION, THEN TO A STORMWATER
32 FILTERING SYSTEM AS DEFINED IN THE 2000 MARYLAND STORMWATER DESIGN
33 MANUAL;

34 B. FOR A BUILDING WITH A COOLING TOWER SYSTEM, THE
35 COOLING TOWER SYSTEM SHALL BE DESIGNED WITH DELIMITERS TO REDUCE DRIFT
36 AND EVAPORATION; AND

1 C. FOR A BUILDING WITH EXTERIOR PLANTS, ALL EXTERIOR
2 PLANTS SHALL BE TOLERANT OF CLIMATE, SOILS, AND NATURAL WATER
3 AVAILABILITY AND MAY NOT RECEIVE WATERING FROM MUNICIPAL POTABLE
4 WATER AFTER A PERIOD OF ESTABLISHMENT IS COMPLETE;

5 3. REGULATIONS ESTABLISHING STANDARDS FOR
6 BUILDINGS LOCATED IN AREAS THAT DO NOT HAVE SEWERS OR THAT HAVE
7 DESIGNATED STORM SEWERS; AND

8 4. REGULATIONS SPECIFYING THE METHODOLOGY BY
9 WHICH TAXPAYERS SHALL DEMONSTRATE COMPLIANCE WITH SUBSECTION (J)(3)
10 AND (4) OF THIS SECTION.

11 (4) ON OR BEFORE DECEMBER 1, 2001, THE ADMINISTRATION, IN
12 CONSULTATION WITH THE DEPARTMENT OF THE ENVIRONMENT, SHALL ADOPT
13 REGULATIONS WITH RESPECT TO TENANT SPACE, SPECIFYING THE METHODOLOGY
14 BY WHICH TAXPAYERS SHALL DEMONSTRATE COMPLIANCE WITH SUBSECTION (K)(2)
15 OF THIS SECTION.

16 (5) ON OR BEFORE DECEMBER 1, 2001, THE DEPARTMENT OF THE
17 ENVIRONMENT, IN CONSULTATION WITH THE DEPARTMENT OF HEALTH AND
18 MENTAL HYGIENE, SHALL ADOPT REGULATIONS WITH RESPECT TO TENANT SPACE,
19 SPECIFYING THE METHODOLOGY BY WHICH TAXPAYERS SHALL DEMONSTRATE
20 COMPLIANCE WITH SUBSECTION (K)(3) OF THIS SECTION.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 July 1, 2001 and shall be applicable to all taxable years beginning after December 31,
23 2001.