

SENATE BILL 207

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By: **The President (By Request - Administration) and Senators King, Garagiola, Madaleno, Forehand, Frosh, Lenett, Pinsky, and Rosapepe**
Introduced and read first time: January 18, 2008
Assigned to: Budget and Taxation and Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Solar and Geothermal Tax Incentive and Grant Program**

3 FOR the purpose of altering the grant amounts awarded under the Solar Energy
4 Grant Program and the Geothermal Heat Pump Grant Program in the
5 Maryland Energy Administration; authorizing the Administration to adjust the
6 grant amounts under the programs under certain circumstances; exempting
7 from the sales and use tax a sale of certain geothermal equipment and solar
8 energy equipment; exempting the State and local property tax certain
9 geothermal property and solar energy property; defining certain terms;
10 repealing a certain State property tax exemption; providing for the application
11 of certain provisions of this Act; and generally relating to State and local solar
12 and geothermal energy incentives.

13 BY repealing and reenacting, with amendments,
14 Article – State Government
15 Section 9–2007 and 9–2008
16 Annotated Code of Maryland
17 (2004 Replacement Volume and 2007 Supplement)

18 BY adding to
19 Article – Tax – General
20 Section 11–230
21 Annotated Code of Maryland
22 (2004 Replacement Volume and 2007 Supplement)

23 BY adding to
24 Article – Tax – Property
25 Section 7–242
26 Annotated Code of Maryland
27 (2007 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing
 2 Article – Tax – Property
 3 Section 7–308
 4 Annotated Code of Maryland
 5 (2007 Replacement Volume)

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

8 **Article – State Government**

9 9–2007.

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

11 (2) **“INSTALLED ELECTRICITY GENERATION CAPACITY” MEANS**
 12 **THE MAXIMUM DIRECT CURRENT POWER OUTPUT IN WATTS OF THE ARRAY OF**
 13 **PHOTOVOLTAIC MODULES RATED UNDER STANDARD TEST CONDITION.**

14 [(2)] (3) **“Photovoltaic property” means solar energy property WITH**
 15 **AN INSTALLED ELECTRICITY GENERATION CAPACITY OF 20 KILOWATTS OR LESS**
 16 that uses a solar photovoltaic process to generate electricity and that meets applicable
 17 performance and quality standards and certification requirements in effect at the time
 18 of acquisition of the property, as specified by the Maryland Energy Administration.

19 [(3)] (4) **“Program” means the Solar Energy Grant Program.**

20 [(4)] (5) (i) **“Solar energy property” means equipment that uses**
 21 solar energy:

- 22 1. to generate electricity;
- 23 2. to heat or cool a structure or provide hot water for use
 24 in a structure; or
- 25 3. to provide solar process heat.

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

28 [(5)] (6) **“Solar water heating property” means solar energy property**
 29 **that:**

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

1 (ii) meets applicable performance and quality standards and
2 certification requirements in effect at the time of acquisition of the property, as
3 specified by the Maryland Energy Administration.

4 (b) There is a Solar Energy Grant Program in the Administration.

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

8 (d) The Administration shall:

9 (1) administer the Program;

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

11 (3) award grants from the Program.

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

13 (1) for photovoltaic property installed on residential property, the
14 lesser of [\$3,000 or 20% of the total installed cost of the photovoltaic property] **\$2,500**
15 **PER KILOWATT OF INSTALLED ELECTRICITY GENERATION CAPACITY OR**
16 **\$10,000;**

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

19 (3) for solar water heating property, the lesser of [\$2,000 or 20%]
20 **\$3,000 OR 30%** of the total installed cost of the solar water heating property.

21 **(F) SUBJECT TO THE LIMITATIONS IN SUBSECTION (E) OF THIS**
22 **SECTION, THE ADMINISTRATION MAY ADJUST THE GRANT AMOUNTS UNDER THE**
23 **PROGRAM TO REFLECT MARKET CONDITIONS AND THE PREVAILING PRICES OF**
24 **PHOTOVOLTAIC PROPERTY AND SOLAR WATER HEATING PROPERTY.**

25 9–2008.

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

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

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

30 (4) **“TON” MEANS 1 STANDARD TON OF REFRIGERATION EQUAL**
31 **TO 12,000 BRITISH THERMAL UNITS OF HEAT REMOVAL PER HOUR.**

1 (b) There is a Geothermal Heat Pump Grant Program in the Administration.

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

4 (d) The Administration shall:

5 (1) administer the Program;

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

7 (3) award grants from the Program.

8 (e) A grant awarded under the Program may not exceed [\$1,000] **THE**
9 **LESSER OF:**

10 (1) **\$1,000 PER TON OR \$3,000 FOR A RESIDENTIAL SYSTEM; AND**

11 (2) **\$1,000 PER TON OR \$10,000 FOR A NONRESIDENTIAL SYSTEM.**

12 (F) **SUBJECT TO THE LIMITATIONS IN SUBSECTION(E) OF THIS SECTION,**
13 **THE ADMINISTRATION MAY ADJUST THE GRANT AMOUNTS UNDER THE**
14 **PROGRAM TO REFLECT MARKET CONDITIONS AND THE PREVAILING PRICES OF**
15 **GEOHERMAL HEAT PUMP SYSTEMS.**

16 **Article - Tax - General**

17 **11-230.**

18 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
19 **MEANINGS INDICATED.**

20 (2) **“GEOHERMAL EQUIPMENT” MEANS EQUIPMENT THAT USES**
21 **GROUND LOOP TECHNOLOGY TO HEAT AND COOL A STRUCTURE.**

22 (3) (I) **“SOLAR ENERGY EQUIPMENT” MEANS EQUIPMENT THAT**
23 **USES SOLAR ENERGY TO HEAT OR COOL A STRUCTURE, GENERATE ELECTRICITY**
24 **TO BE USED IN A STRUCTURE, OR PROVIDE HOT WATER FOR USE IN A**
25 **STRUCTURE.**

26 (II) **“SOLAR ENERGY EQUIPMENT” DOES NOT INCLUDE**
27 **EQUIPMENT THAT IS PART OF A NONSOLAR ENERGY SYSTEM OR THAT USES ANY**
28 **TYPE OF RECREATIONAL FACILITY OR EQUIPMENT AS A STORAGE MEDIUM.**

