

HOUSE BILL 1236

M3, C5, C8

9lr0577

By: **Delegate Rudolph**

Introduced and read first time: February 13, 2009

Assigned to: Economic Matters and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Energy Administration – Clean Energy Loan Payment Program**

3 FOR the purpose of establishing a Maryland Clean Energy Loan Payment Program;
4 requiring the Maryland Energy Administration to administer the Program;
5 stating the purpose of the Program; authorizing a certain property owner to
6 repay a certain loan through a clean energy surcharge under certain
7 circumstances; authorizing the State to impose a clean energy surcharge on
8 certain property under certain circumstances; providing that a person who
9 acquires property subject to a clean energy surcharge assumes the obligation to
10 pay the surcharge; providing that a clean energy surcharge, including interest
11 and penalties, constitutes a lien against the property; requiring the
12 Administration to establish certain eligibility requirements for participation in
13 the Program; authorizing the Administration to coordinate with certain other
14 financial assistance programs; requiring the Administration and the
15 Comptroller to establish certain regulations; establishing a Clean Energy Loan
16 Payment Fund as a special fund for certain purposes; requiring the
17 Administration to administer the Fund; requiring the State Treasurer to hold
18 the Fund separately and the Comptroller to account for the Fund; providing for
19 the contents and uses of the Fund; requiring the State Treasurer to invest the
20 Fund in a certain manner; stating the findings and declarations of the General
21 Assembly regarding this Act; defining certain terms; and generally relating to
22 the Maryland Clean Energy Loan Payment Program.

23 BY adding to

24 Article – State Government

25 Section 9–20C–01 through 9–20C–09 to be under the new subtitle “Subtitle 20C.
26 Clean Energy Loan Payment Program”

27 Annotated Code of Maryland

28 (2004 Replacement Volume and 2008 Supplement)

29 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Tax – Property
2 Section 6–201
3 Annotated Code of Maryland
4 (2007 Replacement Volume and 2008 Supplement)

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

7 **Article – State Government**

8 **SUBTITLE 20C. CLEAN ENERGY LOAN PAYMENT PROGRAM.**

9 **9–20C–01.**

10 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY
13 ADMINISTRATION.

14 (C) “CLEAN ENERGY SURCHARGE” MEANS A PROPERTY TAX
15 SURCHARGE AUTHORIZED UNDER § 9–20C–05 OF THIS SUBTITLE.

16 (D) “FUND” MEANS THE CLEAN ENERGY LOAN PAYMENT FUND.

17 (E) “PROGRAM” MEANS THE CLEAN ENERGY LOAN PAYMENT
18 PROGRAM.

19 **9–20C–02.**

20 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS IN THE
21 PUBLIC INTEREST TO ESTABLISH A PROGRAM THAT AUTHORIZES A
22 RESIDENTIAL OR COMMERCIAL PROPERTY OWNER TO FINANCE AN ENERGY
23 EFFICIENCY OR RENEWABLE ENERGY PROJECT THROUGH A LOAN THAT THE
24 PROPERTY OWNER CAN REPAY THROUGH A SURCHARGE ON THE OWNER’S
25 PROPERTY TAX BILL.

26 **9–20C–03.**

27 (A) THERE IS A CLEAN ENERGY LOAN PAYMENT PROGRAM.

28 (B) THE ADMINISTRATION SHALL ADMINISTER THE PROGRAM.

29 **9–20C–04.**

1 **THE PURPOSE OF THE PROGRAM IS TO PROVIDE ASSISTANCE TO**
2 **RESIDENTIAL AND COMMERCIAL PROPERTY OWNERS IN CONNECTION WITH THE**
3 **FINANCING OF ENERGY EFFICIENCY AND RENEWABLE ENERGY PROJECTS BY:**

4 **(1) PROVIDING FINANCIAL ASSISTANCE TO PROPERTY OWNERS**
5 **THROUGH:**

6 **(I) LOANS;**

7 **(II) LOAN GUARANTEES;**

8 **(III) LOAN SUBSIDIES; AND**

9 **(IV) OTHER FORMS OF FINANCIAL ASSISTANCE APPROVED**
10 **BY THE ADMINISTRATION; AND**

11 **(2) AUTHORIZING PROPERTY OWNERS TO REPAY A LOAN**
12 **THROUGH A CLEAN ENERGY SURCHARGE ON THE OWNER'S PROPERTY TAX BILL.**

13 **9-20C-05.**

14 **(A) A RESIDENTIAL OR COMMERCIAL PROPERTY OWNER MAY CHOOSE**
15 **TO REPAY A LOAN THROUGH A CLEAN ENERGY SURCHARGE IF:**

16 **(1) THE LOAN IS USED TO FINANCE AN ENERGY EFFICIENCY**
17 **IMPROVEMENT OR THE ACQUISITION AND INSTALLATION OF A RENEWABLE**
18 **ENERGY DEVICE;**

19 **(2) THE ENERGY EFFICIENCY IMPROVEMENT OR RENEWABLE**
20 **ENERGY DEVICE IS AFFIXED TO THE PROPERTY; AND**

21 **(3) ALL APPLICABLE ELIGIBILITY REQUIREMENTS FOR**
22 **PARTICIPATION IN THE PROGRAM ARE SATISFIED.**

23 **(B) THE STATE MAY IMPOSE A CLEAN ENERGY SURCHARGE ON A**
24 **PROPERTY IF THE PROPERTY OWNER CHOOSES TO REPAY A LOAN THROUGH A**
25 **CLEAN ENERGY SURCHARGE.**

26 **(C) A PERSON WHO ACQUIRES PROPERTY SUBJECT TO A CLEAN ENERGY**
27 **SURCHARGE, WHETHER BY PURCHASE OR OTHER MEANS, ASSUMES THE**
28 **OBLIGATION TO PAY THE SURCHARGE.**

29 **(D) A CLEAN ENERGY SURCHARGE, INCLUDING ANY INTEREST AND**
30 **PENALTIES, CONSTITUTES A LIEN AGAINST THE PROPERTY.**

1 **9-20C-06.**

2 **THE ADMINISTRATION SHALL ESTABLISH ELIGIBILITY REQUIREMENTS**
3 **FOR PARTICIPATION IN THE PROGRAM, INCLUDING ELIGIBILITY**
4 **REQUIREMENTS FOR:**

5 **(1) ENERGY EFFICIENCY IMPROVEMENTS AND RENEWABLE**
6 **ENERGY DEVICES;**

7 **(2) PROPERTY AND PROPERTY OWNERS; AND**

8 **(3) LOAN TERMS AND CONDITIONS.**

9 **9-20C-07.**

10 **IN PROVIDING FINANCIAL ASSISTANCE UNDER THIS SUBTITLE, THE**
11 **ADMINISTRATION MAY COORDINATE WITH OTHER FINANCIAL ASSISTANCE**
12 **PROGRAMS AVAILABLE THROUGH OTHER STATE UNITS, INCLUDING PROGRAMS**
13 **AVAILABLE THROUGH THE DEPARTMENT OF BUSINESS AND ECONOMIC**
14 **DEVELOPMENT AND THE DEPARTMENT OF HOUSING AND COMMUNITY**
15 **DEVELOPMENT.**

16 **9-20C-08.**

17 **THE ADMINISTRATION AND THE COMPTROLLER SHALL ADOPT**
18 **REGULATIONS TO IMPLEMENT AND ADMINISTER THE PROGRAM.**

19 **9-20C-09.**

20 **(A) THERE IS A CLEAN ENERGY LOAN PAYMENT FUND.**

21 **(B) THE PURPOSE OF THE FUND IS TO:**

22 **(1) MAKE LOANS AND PROVIDE OTHER FINANCIAL ASSISTANCE**
23 **UNDER THIS SUBTITLE; AND**

24 **(2) PAY THE COSTS OF CARRYING OUT THIS SUBTITLE.**

25 **(C) THE ADMINISTRATION SHALL ADMINISTER THE FUND.**

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

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

3 **(E) THE FUND CONSISTS OF:**

4 **(1) PAYMENTS RECEIVED IN REPAYMENT OF A LOAN MADE UNDER**
5 **THIS SUBTITLE;**

6 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

7 **(3) INTEREST AND INVESTMENT EARNINGS ON THE FUND; AND**

8 **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE, PUBLIC OR**
9 **PRIVATE, ACCEPTED FOR THE BENEFIT OF THE FUND.**

10 **(F) THE FUND MAY BE USED ONLY TO:**

11 **(1) MAKE LOANS, GUARANTEE LOANS, SUBSIDIZE LOANS, OR**
12 **PROVIDE OTHER FINANCIAL ASSISTANCE AUTHORIZED UNDER THIS SUBTITLE;**
13 **AND**

14 **(2) CARRY OUT THIS SUBTITLE.**

15 **(G) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
16 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

17 **Article - Tax - Property**

18 6-201.

19 (a) Except as otherwise provided in this article, the State may impose State
20 property tax on the assessment of property that is subject to the State property tax.

21 (b) **(1) IN THIS SUBSECTION, "CLEAN ENERGY SURCHARGE" HAS THE**
22 **MEANING STATED IN § 9-20C-01 OF THE STATE GOVERNMENT ARTICLE.**

23 **(2)** The Mayor and City Council of Baltimore City or the governing
24 body of a county is not required to pass any law to:

25 **(I)** incorporate the State property tax **OR STATE CLEAN**
26 **ENERGY SURCHARGE** in the property tax bill; or

27 **(II)** [to] collect the State property tax **OR STATE CLEAN**
28 **ENERGY SURCHARGE.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2009.