

# HOUSE BILL 829

C5, M3, Q4

11r0570

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By: **Delegates Mizeur, A. Miller, Bobo, Hucker, Luedtke, and McMillan**

Introduced and read first time: February 11, 2011

Assigned to: Economic Matters and Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy for All Act**

3 FOR the purpose of establishing the Residential Biomass Heating System Grant  
4 Program in the Maryland Energy Administration to provide grants to  
5 individuals for a portion of the costs of acquiring and installing eligible biomass  
6 heating systems; requiring the Administration to administer the Program,  
7 establish certain procedures, and impose certain requirements in connection  
8 with the Program; authorizing the Administration to award grants not  
9 exceeding certain amounts under the Program; authorizing the Administration  
10 to award grants for the cost of acquiring and installing certain eligible  
11 nonpellet biomass heating systems only under certain circumstances;  
12 authorizing the Administration to award a certain trade-in grant, not exceeding  
13 a certain amount, under certain circumstances; authorizing the Administration  
14 to provide grant applicants with certain information; establishing the  
15 Residential Biomass Heating System Special Fund as a special, nonlapsing  
16 fund; providing for the purpose, administration, use, and contents of the Fund;  
17 requiring the State Treasurer to hold separately, and the Comptroller to  
18 account for, the Fund; requiring the State Treasurer to invest the money of the  
19 Fund in a certain manner; requiring that investment earnings of the Fund be  
20 credited to the Fund; requiring expenditures from the Fund to be made in a  
21 certain manner; requiring the Comptroller to distribute into the Fund the sales  
22 and use tax collected on the sale of certain firewood; repealing the sales and use  
23 tax exemption for sales of certain firewood; defining certain terms; and  
24 generally relating to the Residential Biomass Heating System Grant Program  
25 and the Residential Biomass Heating System Special Fund.

26 BY adding to

27 Article – State Government

28 Section 9–2009 and 9–2010

29 Annotated Code of Maryland

30 (2009 Replacement Volume and 2010 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to  
2 Article – Tax – General  
3 Section 2–1302.3  
4 Annotated Code of Maryland  
5 (2010 Replacement Volume)

6 BY repealing and reenacting, with amendments,  
7 Article – Tax – General  
8 Section 2–1303 and 11–207  
9 Annotated Code of Maryland  
10 (2010 Replacement Volume)

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

13 **Article – State Government**

14 **9–2009.**

15 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**  
16 **MEANINGS INDICATED.**

17 **(2) “BIOMASS HEATING SYSTEM” MEANS A RESIDENTIAL SPACE**  
18 **HEATING SYSTEM THAT GENERATES HEAT FROM THE COMBUSTION OF WOOD OR**  
19 **OTHER BIOMASS FUELS.**

20 **(3) “ELIGIBLE NONPELLET BIOMASS HEATING SYSTEM” MEANS A**  
21 **BIOMASS HEATING SYSTEM THAT:**

22 **(I) IS NOT SPECIFICALLY DESIGNED TO BURN PELLET**  
23 **FUEL; AND**

24 **(II) HAS A PARTICULATE EMISSIONS LEVEL OF 3 GRAMS OR**  
25 **LESS PER HOUR.**

26 **(4) “ELIGIBLE PELLET BIOMASS HEATING SYSTEM” MEANS A**  
27 **PELLET BIOMASS HEATING SYSTEM THAT:**

28 **(I) IS SPECIFICALLY DESIGNED TO BURN PELLET FUEL;**  
29 **AND**

30 **(II) HAS A PARTICULATE EMISSIONS LEVEL OF 1.5 GRAMS**  
31 **OR LESS PER HOUR.**

1           **(5) “PROGRAM” MEANS THE RESIDENTIAL BIOMASS HEATING**  
2 **SYSTEM GRANT PROGRAM.**

3           **(B) THERE IS A RESIDENTIAL BIOMASS HEATING SYSTEM GRANT**  
4 **PROGRAM IN THE ADMINISTRATION.**

5           **(C) THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO**  
6 **INDIVIDUALS FOR A PORTION OF THE COSTS OF ACQUIRING AND INSTALLING**  
7 **ELIGIBLE PELLET BIOMASS HEATING SYSTEMS AND ELIGIBLE NONPELLET**  
8 **BIOMASS HEATING SYSTEMS.**

9           **(D) THE ADMINISTRATION SHALL:**

10                   **(1) ADMINISTER THE PROGRAM;**

11                   **(2) ESTABLISH APPLICATION PROCEDURES FOR THE PROGRAM;**  
12 **AND**

13                   **(3) AWARD GRANTS FROM THE PROGRAM.**

14           **(E) SUBJECT TO SUBSECTION (F) OF THIS SECTION, THE**  
15 **ADMINISTRATION MAY AWARD A GRANT UNDER THE PROGRAM TO ACQUIRE**  
16 **AND INSTALL AN ELIGIBLE PELLET BIOMASS HEATING SYSTEM OR AN ELIGIBLE**  
17 **NONPELLET BIOMASS HEATING SYSTEM AS FOLLOWS:**

18                   **(1) FOR AN INDIVIDUAL WITH A GROSS ANNUAL HOUSEHOLD**  
19 **INCOME OF \$75,000 OR LESS, THE GRANT AMOUNT MAY NOT EXCEED THE**  
20 **LESSER OF \$1,500 OR 40% OF THE INSTALLED COST OF THE BIOMASS HEATING**  
21 **SYSTEM; AND**

22                   **(2) FOR AN INDIVIDUAL WITH A GROSS ANNUAL HOUSEHOLD**  
23 **INCOME OF MORE THAN \$75,000, THE GRANT AMOUNT MAY NOT EXCEED THE**  
24 **LESSER OF \$1,500 OR 30% OF THE INSTALLED COST OF THE BIOMASS HEATING**  
25 **SYSTEM.**

26           **(F) THE ADMINISTRATION MAY AWARD A GRANT UNDER THE PROGRAM**  
27 **TO ACQUIRE AND INSTALL AN ELIGIBLE NONPELLET BIOMASS HEATING SYSTEM**  
28 **ONLY IF THE GRANT RECIPIENT’S PRIMARY HOUSEHOLD HEATING FUEL IS:**

29                   **(1) ELECTRICITY;**

30                   **(2) HEATING OIL; OR**

31                   **(3) PROPANE.**

1           **(G) THE ADMINISTRATION SHALL REQUIRE EACH ELIGIBLE PELLET**  
2 **BIOMASS HEATING SYSTEM OR ELIGIBLE NONPELLET BIOMASS HEATING**  
3 **SYSTEM FOR WHICH AN INDIVIDUAL RECEIVES A GRANT UNDER THE PROGRAM**  
4 **TO BE INSTALLED BY A CERTIFIED INSTALLER.**

5           **(H) (1) THE ADMINISTRATION MAY AWARD A BIOMASS HEATING**  
6 **SYSTEM TRADE-IN GRANT TO AN INDIVIDUAL WHO RECEIVES A GRANT UNDER**  
7 **SUBSECTION (E) OF THIS SECTION IF THE ELIGIBLE PELLET BIOMASS HEATING**  
8 **SYSTEM OR ELIGIBLE NONPELLET BIOMASS HEATING SYSTEM REPLACES A**  
9 **BIOMASS HEATING SYSTEM THAT IS NOT CERTIFIED BY THE UNITED STATES**  
10 **ENVIRONMENTAL PROTECTION AGENCY.**

11                   **(2) A TRADE-IN GRANT AWARDED UNDER THIS SUBSECTION:**

12                           **(I) MAY NOT EXCEED \$250; AND**

13                           **(II) IS IN ADDITION TO ANY AMOUNT AWARDED UNDER**  
14 **SUBSECTION (E) OF THIS SECTION.**

15           **(3) THE ADMINISTRATION SHALL REQUIRE THE SELLER OR**  
16 **INSTALLER OF THE ELIGIBLE PELLET BIOMASS HEATING SYSTEM OR ELIGIBLE**  
17 **NONPELLET BIOMASS HEATING SYSTEM TO:**

18                           **(I) CERTIFY THAT THE GRANT RECIPIENT SURRENDERED A**  
19 **BIOMASS HEATING SYSTEM THAT IS NOT CERTIFIED BY THE UNITED STATES**  
20 **ENVIRONMENTAL PROTECTION AGENCY; AND**

21                           **(II) VERIFY THAT THE SURRENDERED BIOMASS HEATING**  
22 **SYSTEM IS DEMOLISHED.**

23           **(I) AS PART OF THE PROGRAM, THE ADMINISTRATION MAY PROVIDE**  
24 **GRANT APPLICANTS WITH INFORMATION ON ENERGY AUDIT, ENERGY**  
25 **ASSISTANCE, AND WEATHERIZATION PROGRAMS AVAILABLE TO RESIDENTS OF**  
26 **THE STATE.**

27 **9-2010.**

28           **(A) IN THIS SECTION, "FUND" MEANS THE RESIDENTIAL BIOMASS**  
29 **HEATING SYSTEM SPECIAL FUND.**

30           **(B) THERE IS A RESIDENTIAL BIOMASS HEATING SYSTEM SPECIAL**  
31 **FUND IN THE ADMINISTRATION.**

1           **(C) THE PURPOSE OF THE FUND IS TO IMPLEMENT THE RESIDENTIAL**  
2 **BIOMASS HEATING SYSTEM GRANT PROGRAM ESTABLISHED UNDER § 9-2009**  
3 **OF THIS SUBTITLE.**

4           **(D) THE ADMINISTRATION SHALL ADMINISTER THE FUND.**

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

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

9           **(F) THE FUND CONSISTS OF:**

10                   **(1) SALES AND USE TAX REVENUE DISTRIBUTED TO THE FUND**  
11 **UNDER § 2-1302.3 OF THE TAX – GENERAL ARTICLE;**

12                   **(2) INTEREST AND INVESTMENT EARNINGS ON THE FUND; AND**

13                   **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
14 **THE BENEFIT OF THE FUND.**

15           **(G) THE FUND MAY BE USED TO:**

16                   **(1) MAKE GRANTS UNDER THE RESIDENTIAL BIOMASS HEATING**  
17 **SYSTEM GRANT PROGRAM; AND**

18                   **(2) PAY THE COSTS OF THE RESIDENTIAL BIOMASS HEATING**  
19 **SYSTEM GRANT PROGRAM.**

20           **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**  
21 **FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

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

24           **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN**  
25 **ACCORDANCE WITH THE STATE BUDGET.**

26   **Article – Tax – General**

27           **2-1302.3.**

1 NOTWITHSTANDING ANY OTHER LAW, THE COMPTROLLER SHALL  
2 DISTRIBUTE INTO THE RESIDENTIAL BIOMASS HEATING SYSTEM SPECIAL  
3 FUND ESTABLISHED UNDER § 9-2010 OF THE STATE GOVERNMENT ARTICLE  
4 THE SALES AND USE TAX COLLECTED ON THE SALE OF PACKAGED FIREWOOD.

5 2-1303.

6 After making the distributions required under §§ 2-1301 through [2-1302.2]  
7 **2-1302.3** of this subtitle, the Comptroller shall pay:

8 (1) revenues from the hotel surcharge into the Dorchester County  
9 Economic Development Fund established under § 10-130 of the Economic  
10 Development Article; and

11 (2) the remaining sales and use tax revenue into the General Fund of  
12 the State.

13 11-207.

14 (a) The sales and use tax does not apply to:

15 (1) a sale of electricity, steam, or artificial or natural gas for use in  
16 residential condominiums;

17 (2) a sale of electricity, steam, or artificial or natural gas that is  
18 delivered under a residential or domestic rate schedule on file with the Public Service  
19 Commission;

20 (3) a sale of coal, firewood, heating oil, or propane gas or similar  
21 liquefied gas for use in residential property that contains not more than 4 units,  
22 cooperative housing, condominiums, or other similar residential living arrangements;  
23 or

24 (4) a sale of electricity through 3 or more bulk meters for use in a  
25 nonprofit planned retirement community of more than 2,000 housing cooperative or  
26 condominium units if:

27 (i) ownership of units is restricted by age;

28 (ii) any unit is served by an individual meter; and

29 (iii) on or before July 1, 1979, at least 3 bulk meters served the  
30 community.

31 (b) The sales and use tax does not apply to a sale of wood, wood bark or  
32 residue, or refuse-derived fuel used for heating purposes.

1           **(C) NOTWITHSTANDING SUBSECTIONS (A)(3) AND (B) OF THIS SECTION,**  
2 **THE SALES AND USE TAX APPLIES TO A SALE OF NATURAL FIREWOOD THAT IS**  
3 **SOLD IN PACKAGED FORM IN QUALITIES OF LESS THAN ONE-EIGHTH OF A CORD.**

4           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 2011.