

## Chapter 565

(Senate Bill 958)

AN ACT concerning

### Maryland Clean Energy Incentive Act – Qualified Energy Resources

FOR the purpose of altering the definition of qualified energy resources under a certain credit against the State income tax for certain electricity produced from certain qualified resources; and generally relating to a certain credit against the State income tax for certain electricity produced from certain qualified resources.

BY repealing and reenacting, with amendments,  
 Article – Tax – General  
 Section 10–720(a)  
 Annotated Code of Maryland  
 (2010 Replacement Volume)

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

#### Article – Tax – General

10–720.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Administration” means the Maryland Energy Administration.
- (3) (i) Except as provided in subparagraphs (ii) and (iii) of this paragraph, “qualified energy resources” has the meaning stated in § 45(c)(1) of the Internal Revenue Code.
- (ii) “Qualified energy resources” includes any [solid,] nonhazardous[, cellulose] waste material that is segregated from other waste materials and is derived from:
1. any of the following forest–related resources, not including old–growth timber:
    - A. mill residues, except sawdust and wood shavings;
    - B. forest thinnings;

- C. slash; or
- D. brush;
- 2. waste pallets, crates, and dunnage and landscape or right-of-way trimmings; or
- 3. agricultural sources, including, **BUT NOT LIMITED TO**, orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues.

(iii) “Qualified energy resources” includes methane gas or other combustible gases resulting from the decomposition of organic materials from an agricultural operation, or from a landfill or wastewater treatment plant using one or a combination of the following processes:

- 1. anaerobic decomposition; or
- 2. thermal decomposition.

(4) “Qualified Maryland facility” means a facility located in the State that:

(i) primarily uses qualified energy resources to produce electricity and is originally placed in service on or after January 1, 2006, but before January 1, 2016; or

(ii) produces electricity from a qualified energy resource that is co-fired with coal and initially begins co-firing a qualified energy resource on or after January 1, 2006, but before January 1, 2016, regardless of when the original facility was placed in service.

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

**Approved by the Governor, May 19, 2011.**