HOUSE BILL 1410

Q1, L6   2lr2687

By: **Delegate Hucker**
Introduced and read first time: February 27, 2012
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1   AN ACT concerning

2   **Clean Energy Loan Programs – Private Lenders – Collection of Loan**
3   **Payments**

4   FOR the purpose of authorizing a private lender to provide capital for a loan provided
5   under a local Clean Energy Loan Program; authorizing a political subdivision to
6   collect loan payments owed to a private lender through a surcharge on the
7   owner's property tax bill; providing that an unpaid surcharge constitutes a lien
8   against the property on which it is imposed under certain circumstances;
9   providing that certain provisions of law that apply to a tax lien also apply to a
10   lien created under this Act; and generally relating to the collection of loan
11   payments owed to private lenders under local Clean Energy Loan Programs.

12   BY repealing and reenacting, with amendments,
13   Article 24 – Political Subdivisions – Miscellaneous Provisions
14   Section 9–1502
15   Annotated Code of Maryland
16   (2011 Replacement Volume)

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

19   **Article 24 – Political Subdivisions – Miscellaneous Provisions**

20   9–1502.

21   (a)   A political subdivision may enact an ordinance or a resolution
22   establishing a Clean Energy Loan Program.

23   (b)   The purpose of the Program is to provide loans to:

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
      [Brackets] indicate matter deleted from existing law.

1   (1)   Residential property owners, including low income residential
2   property owners, for the financing of energy efficiency and renewable energy projects;
3   and

4   (2)   Commercial property owners for the financing of:

5   (i)   Energy efficiency projects; and

6   (ii)   Renewable energy projects with an electric generating
7   capacity of not more than 100 kilowatts.

8   **(C)   A PRIVATE LENDER MAY PROVIDE CAPITAL FOR A LOAN PROVIDED**
9   **UNDER THE PROGRAM.**

10   **[**(c)**] (D)**   (1)   The Program shall require a property owner to repay a loan
11   provided under the Program through a surcharge on the owner's property tax bill.

12   (2)   **[**A**] EXCEPT FOR A SURCHARGE AUTHORIZED UNDER**
13   **SUBSECTION (E) OF THIS SECTION, A** surcharge shall be limited to an amount that
14   allows the political subdivision to recover the costs associated with issuing bonds to
15   finance the loan and costs associated with administering the Program.

16   **(E)   (1)   A POLITICAL SUBDIVISION MAY COLLECT LOAN PAYMENTS**
17   **OWED TO A PRIVATE LENDER THROUGH A SURCHARGE ON THE OWNER'S**
18   **PROPERTY TAX BILL.**

19   **(2)   AN UNPAID SURCHARGE UNDER THIS SUBSECTION SHALL BE,**
20   **UNTIL PAID, A LIEN ON THE REAL PROPERTY ON WHICH IT IS IMPOSED FROM**
21   **THE DATE IT BECOMES PAYABLE.**

22   **(3)   THE PROVISIONS OF TITLE 14, SUBTITLE 8 OF THE**
23   **TAX – PROPERTY ARTICLE THAT APPLY TO A TAX LIEN SHALL ALSO APPLY TO A**
24   **LIEN CREATED UNDER THIS SUBSECTION.**

25   **[**(d)**] (F)**   A person who acquires property subject to a surcharge under this
26   section, whether by purchase or other means, assumes the obligation to pay the
27   surcharge.

28   **[**(e)**] (G)**   (1)   An ordinance or resolution enacted under subsection (a) of
29   this section shall provide for:

30   (i)   Eligibility requirements for participation in the Program,
31   including eligibility requirements for:

1   1. Energy efficiency improvements and renewable
2 energy devices; and

3   2. Property and property owners; and

4   (ii) Loan terms and conditions.

5   (2) Eligibility requirements under paragraph (1) of this subsection
6 shall include a requirement that the political subdivision, in a manner substantially
7 similar to that required for a mortgage loan under §§ 12–127, 12–311, 12–409.1,
8 12–925, and 12–1029 of the Commercial Law Article, give due regard to the property
9 owner's ability to repay a loan provided under the Program.

10   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 June 1, 2012.