

# SENATE BILL 186

P1, M5  
SB 683/22 – B&T

3lr0461

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By: **Senator Kagan**

Introduced and read first time: January 20, 2023

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Green and Renewable Energy for Nonprofit Organizations Loan Program and**  
3 **Fund**

4 FOR the purpose of establishing the Green and Renewable Energy for Nonprofit  
5 Organizations Loan Program in the Maryland Energy Administration to provide  
6 financial assistance to nonprofit organizations for the purchase and installation of  
7 qualifying energy systems and technical assistance for the planning and installation  
8 of qualifying energy systems; establishing the Green and Renewable Energy for  
9 Nonprofit Organizations Loan Fund as a special, nonlapsing fund; requiring interest  
10 earnings of the Fund to be paid into the Fund; requiring the Administration, on or  
11 before a certain date, to establish an application process, set guidelines and  
12 considerations for application, selection, and repayment for loans made under the  
13 Program, and develop an advertising campaign for the Program; and generally  
14 relating to the Green and Renewable Energy for Nonprofit Organizations Loan  
15 Program and Fund.

16 BY adding to

17 Article – State Government  
18 Section 9–2101 through 9–2107 to be under the new subtitle “Subtitle 21. Green and  
19 Renewable Energy for Nonprofit Organizations Loan Program”  
20 Annotated Code of Maryland  
21 (2021 Replacement Volume and 2022 Supplement)

22 BY repealing and reenacting, without amendments,

23 Article – State Finance and Procurement  
24 Section 6–226(a)(2)(i)  
25 Annotated Code of Maryland  
26 (2021 Replacement Volume and 2022 Supplement)

27 BY repealing and reenacting, with amendments,

28 Article – State Finance and Procurement

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 6–226(a)(2)(ii)170. and 171.  
2 Annotated Code of Maryland  
3 (2021 Replacement Volume and 2022 Supplement)

4 BY adding to  
5 Article – State Finance and Procurement  
6 Section 6–226(a)(2)(ii)172.  
7 Annotated Code of Maryland  
8 (2021 Replacement Volume and 2022 Supplement)

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

11 **Article – State Government**

12 **SUBTITLE 21. GREEN AND RENEWABLE ENERGY FOR NONPROFIT**  
13 **ORGANIZATIONS LOAN PROGRAM.**

14 **9–2101.**

15 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
16 INDICATED.

17 (B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY  
18 ADMINISTRATION.

19 (C) “BORROWER” MEANS A NONPROFIT ORGANIZATION THAT APPLIES AND  
20 QUALIFIES FOR A LOAN UNDER THE PROGRAM.

21 (D) “FUND” MEANS THE GREEN AND RENEWABLE ENERGY FOR  
22 NONPROFIT ORGANIZATIONS LOAN FUND.

23 (E) “NONPROFIT ORGANIZATION” MEANS AN ORGANIZATION THAT IS  
24 EXEMPT FROM FEDERAL INCOME TAX UNDER § 501(C)(3) OF THE INTERNAL  
25 REVENUE CODE.

26 (F) “PROGRAM” MEANS THE GREEN AND RENEWABLE ENERGY FOR  
27 NONPROFIT ORGANIZATIONS LOAN PROGRAM.

28 (G) “QUALIFYING ENERGY SYSTEM” MEANS A SYSTEM THAT:

29 (1) GENERATES ELECTRICITY OR USABLE THERMAL ENERGY THAT IS  
30 USED TO MEET ONSITE DEMAND; AND

1           **(2) ASSISTS THE STATE IN MEETING THE ENVIRONMENTAL AND**  
2 **GREENHOUSE GAS REDUCTION GOALS UNDER § 2-1205 OF THE ENVIRONMENT**  
3 **ARTICLE.**

4 **9-2102.**

5           **THERE IS A GREEN AND RENEWABLE ENERGY FOR NONPROFIT**  
6 **ORGANIZATIONS LOAN PROGRAM IN THE ADMINISTRATION.**

7 **9-2103.**

8           **THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE IN**  
9 **THE FORM OF NO-INTEREST LOANS TO NONPROFIT ORGANIZATIONS FOR THE**  
10 **PURCHASE AND INSTALLATION OF QUALIFYING ENERGY SYSTEMS IN THE STATE.**

11 **9-2104.**

12           **THE ADMINISTRATION SHALL:**

13           **(1) MANAGE, SUPERVISE, AND ADMINISTER THE PROGRAM;**

14           **(2) ADOPT REGULATIONS TO ENSURE THAT LOANS PROVIDED TO**  
15 **NONPROFIT ORGANIZATIONS CARRY OUT THE PURPOSE OF THE PROGRAM; AND**

16           **(3) ATTACH SPECIFIC TERMS TO ANY LOAN THAT ARE CONSIDERED**  
17 **NECESSARY TO ENSURE THAT THE PURPOSE OF THE PROGRAM IS FULFILLED.**

18 **9-2105.**

19           **(A) (1) TO RECEIVE A LOAN UNDER THE PROGRAM, A BORROWER MUST**  
20 **FILE AN APPLICATION WITH THE ADMINISTRATION.**

21           **(2) THE APPLICATION MUST BE SIGNED BY THE CHIEF OPERATING**  
22 **OFFICER OR AN AUTHORIZED OFFICER OF THE NONPROFIT ORGANIZATION.**

23           **(B) THE APPLICATION MUST CONTAIN ANY INFORMATION THE**  
24 **ADMINISTRATION DETERMINES IS NECESSARY, INCLUDING:**

25           **(1) THE PROJECTED COST OF THE QUALIFYING ENERGY SYSTEM OR**  
26 **TECHNICAL ASSISTANCE BEING FINANCED THROUGH THE LOAN;**

27           **(2) THE LOCATION OF THE PROPERTY WHERE THE QUALIFYING**  
28 **ENERGY SYSTEM WILL BE INSTALLED AND WHETHER THE PROPERTY IS OWNED OR**

1 LEASED BY THE APPLICANT; AND

2 (3) ANY ADDITIONAL INFORMATION RELATING TO THE BORROWER OR  
3 THE PROPOSED QUALIFYING ENERGY SYSTEM BEING FINANCED THROUGH THE  
4 LOAN THAT MAY BE REQUIRED BY THE ADMINISTRATION IN ORDER TO ADMINISTER  
5 THE PROGRAM.

6 (C) THE ADMINISTRATION MAY APPROVE AN APPLICATION FOR A LOAN  
7 UNDER § 9-2106(A)(1) OF THIS SUBTITLE ONLY IF THE APPLICATION  
8 DEMONSTRATES THAT THE PROPOSED QUALIFYING ENERGY SYSTEM IS ESTIMATED,  
9 BASED ON PROJECTED ENERGY COSTS, TO GENERATE ENERGY COST SAVINGS OVER  
10 THE USEFUL LIFE OF THE SYSTEM THAT EQUAL OR EXCEED THE TOTAL AMORTIZED  
11 COST OF THE LOAN.

12 (D) IN APPROVING AN APPLICATION, THE ADMINISTRATION SHALL  
13 CONSIDER AND GIVE PRIORITY TO AN APPLICANT THAT HAS AN ANNUAL BUDGET OF  
14 \$1,000,000 OR LESS.

15 9-2106.

16 (A) LOANS FROM THE FUND MAY BE USED FOR:

17 (1) THE PURCHASE AND INSTALLATION OF A QUALIFYING ENERGY  
18 SYSTEM, INCLUDING ANY NECESSARY ANCILLARY MACHINERY, EQUIPMENT, OR  
19 FURNISHINGS; AND

20 (2) TECHNICAL ASSISTANCE FOR THE PLANNING AND INSTALLATION  
21 OF A QUALIFYING ENERGY SYSTEM.

22 (B) EACH BORROWER FOR A LOAN UNDER SUBSECTION (A)(1) OF THIS  
23 SECTION SHALL CONTRIBUTE AT LEAST 10% OF THE COST OF THE QUALIFYING  
24 ENERGY SYSTEM.

25 (C) LOANS MADE UNDER THE PROGRAM SHALL BE REPAYABLE BY THE  
26 BORROWER IN ACCORDANCE WITH A SCHEDULE THAT THE ADMINISTRATION SETS,  
27 WHICH MAY BE ON A DEFERRED PAYMENT BASIS.

28 (D) (1) A BORROWER SHALL PROVIDE ASSURANCES FOR THE  
29 REPAYMENT OF A LOAN.

30 (2) THE ASSURANCES:

31 (I) SHALL INCLUDE A PROMISSORY NOTE; AND

1                   **(II)   MAY INCLUDE A PLAN FOR REPAYMENT.**

2           **(E)   LOANS MAY BE MADE IN CONJUNCTION WITH OR IN ADDITION TO**  
3 **FINANCIAL ASSISTANCE PROVIDED THROUGH OTHER STATE OR FEDERAL**  
4 **PROGRAMS.**

5 **9-2107.**

6           **(A)   THERE IS A GREEN AND RENEWABLE ENERGY FOR NONPROFIT**  
7 **ORGANIZATIONS LOAN FUND.**

8           **(B)   THE ADMINISTRATION SHALL ADMINISTER THE FUND.**

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

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

13           **(D)   THE FUND CONSISTS OF:**

14                   **(1)   MONEY APPROPRIATED IN THE STATE BUDGET TO THE PROGRAM;**

15                   **(2)   MONEY RECEIVED FROM ANY PUBLIC OR PRIVATE SOURCE;**

16                   **(3)   INTEREST AND INVESTMENT EARNINGS OF THE FUND; AND**

17                   **(4)   REPAYMENTS AND PREPAYMENTS ON LOANS MADE FROM THE**  
18 **FUND.**

19           **(E)   (1)   IN FISCAL YEAR 2025, THE GOVERNOR SHALL INCLUDE IN THE**  
20 **ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000 FOR THE FUND.**

21                   **(2)   IN FISCAL YEAR 2026, THE GOVERNOR SHALL INCLUDE IN THE**  
22 **ANNUAL BUDGET BILL AN APPROPRIATION EQUAL TO AT LEAST \$5,000,000 MINUS**  
23 **THE AMOUNT IN THE FUND AS OF JUNE 30 OF THE IMMEDIATELY PRECEDING**  
24 **FISCAL YEAR.**

25           **(F)   THE FUND MAY BE USED ONLY:**

26                   **(1)   TO PAY THE EXPENSES OF THE PROGRAM; AND**

1                   (2) TO PROVIDE LOANS TO ELIGIBLE BORROWERS UNDER THE  
2 PROGRAM.

3           (G) (1) THE STATE TREASURER SHALL INVEST AND REINVEST THE  
4 MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE  
5 INVESTED.

6                   (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO  
7 THE FUND.

8                   (3) ANY REPAYMENT ON LOANS MADE FROM THE FUND SHALL BE  
9 PAID INTO THE FUND.

10   Article – State Finance and Procurement

11 6–226.

12           (a) (2) (i) Notwithstanding any other provision of law, and unless  
13 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
14 terms of a gift or settlement agreement, net interest on all State money allocated by the  
15 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
16 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
17 Fund of the State.

18                                   (ii) The provisions of subparagraph (i) of this paragraph do not apply  
19 to the following funds:

20   170. the Cannabis Public Health Fund; [and]

21   171. the Community Reinvestment and Repair Fund; AND

22   **172. THE GREEN AND RENEWABLE ENERGY FOR**  
23 **NONPROFIT ORGANIZATIONS LOAN FUND.**

24           SECTION 2. AND BE IT FURTHER ENACTED, That, on or before July 1, 2024, the  
25 Maryland Energy Administration shall:

26                   (1) establish an application process for loans made under the Green and  
27 Renewable Energy for Nonprofit Organizations Loan Program in Title 9, Subtitle 21 of the  
28 State Government Article, as enacted by Section 1 of this Act;

29                   (2) set guidelines and considerations for application, selection, and  
30 repayment that include:

31                                   (i) nonprofit organizations that own, rather than rent, their

1 buildings;

2 (ii) property size and kilowatt–hours of energy used;

3 (iii) geographic diversity;

4 (iv) ethnic and racial diversity;

5 (v) economic diversity;

6 (vi) nonprofit organization mission diversity;

7 (vii) access to the borrower’s portion of the cost of the qualifying  
8 energy system; and

9 (viii) process and frequency of loan repayment; and

10 (3) develop and implement an advertising campaign for the Green and  
11 Renewable Energy for Nonprofit Organizations Loan Program.

12 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take  
13 effect July 1, 2024.

14 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section  
15 3 of this Act, this Act shall take effect July 1, 2023.