

# SENATE BILL 23

M5, P1  
SB 105/25 – B&T

(PRE-FILED)

6lr1127  
CF HB 695

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By: **Senator Kagan**

Requested: October 8, 2025

Introduced and read first time: January 14, 2026

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 20, 2026

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Green and Renewable Energy Efficiency for Nonprofits (GREEN) Loan Program**  
3 **and Fund – Establishment**

4 FOR the purpose of establishing the Green and Renewable Energy Efficiency for Nonprofits  
5 Loan Program in the Maryland Clean Energy Center to provide financial assistance  
6 to nonprofit organizations for the planning, purchase, and installation of qualifying  
7 energy systems and for actions that improve energy efficiency; establishing the  
8 Green and Renewable Energy Efficiency for Nonprofits Loan Fund as a special,  
9 nonlapsing fund; requiring the Center to hold, invest, reinvest, and account for the  
10 Fund; requiring interest earnings of the Green and Renewable Energy Efficiency for  
11 Nonprofits Loan Fund to be paid into the Green and Renewable Energy Efficiency  
12 for Nonprofits Loan Fund; altering the uses of the Maryland Strategic Energy  
13 Investment Fund to include providing funds to the Green and Renewable Energy  
14 Efficiency for Nonprofits Loan Fund; and generally relating to the Green and  
15 Renewable Energy Efficiency for Nonprofits Loan Program and Fund.

16 BY renumbering

17 Article – Economic Development

18 Section 10–862 and the part “Part VII. Short Title”

19 to be Section 10–871 and the part “Part VIII. Short Title”

20 Annotated Code of Maryland

21 (2024 Replacement Volume and 2025 Supplement)

22 BY adding to

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- 1 Article – Economic Development  
2 Section 10–862 through 10–868 to be under the new part “Part VII. Green and  
3 Renewable Energy Efficiency for Nonprofits Loan Program”  
4 Annotated Code of Maryland  
5 (2024 Replacement Volume and 2025 Supplement)
- 6 BY repealing and reenacting, without amendments,  
7 Article – State Finance and Procurement  
8 Section 6–226(a)(2)(i) and (ii)  
9 Annotated Code of Maryland  
10 (2021 Replacement Volume and 2025 Supplement)
- 11 BY repealing and reenacting, with amendments,  
12 Article – State Finance and Procurement  
13 Section 6–226(a)(2)(iii)212. and 213.  
14 Annotated Code of Maryland  
15 (2021 Replacement Volume and 2025 Supplement)
- 16 BY adding to  
17 Article – State Finance and Procurement  
18 Section 6–226(a)(2)(iii)214.  
19 Annotated Code of Maryland  
20 (2021 Replacement Volume and 2025 Supplement)
- 21 BY repealing and reenacting, without amendments,  
22 Article – State Government  
23 Section 9–20B–05(a)  
24 Annotated Code of Maryland  
25 (2021 Replacement Volume and 2025 Supplement)
- 26 BY repealing and reenacting, with amendments,  
27 Article – State Government  
28 Section 9–20B–05(f)(13) and (14)  
29 Annotated Code of Maryland  
30 (2021 Replacement Volume and 2025 Supplement)
- 31 BY adding to  
32 Article – State Government  
33 Section 9–20B–05(f)(14)  
34 Annotated Code of Maryland  
35 (2021 Replacement Volume and 2025 Supplement)
- 36 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
37 That Section(s) 10–862 and the part “Part VII. Short Title” of Article – Economic  
38 Development of the Annotated Code of Maryland be renumbered to be Section(s) 10–871  
39 and the part “Part VIII. Short Title”.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
2 as follows:

3 **Article – Economic Development**

4 **PART VII. GREEN AND RENEWABLE ENERGY EFFICIENCY FOR NONPROFITS LOAN**  
5 **PROGRAM.**

6 **10–862.**

7 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS  
8 INDICATED.

9 (B) “BORROWER” MEANS A NONPROFIT ORGANIZATION THAT APPLIES AND  
10 QUALIFIES FOR A LOAN UNDER THE PROGRAM.

11 (C) “FUND” MEANS THE GREEN AND RENEWABLE ENERGY EFFICIENCY  
12 FOR NONPROFITS LOAN FUND.

13 (D) “NONPROFIT ORGANIZATION” MEANS AN ORGANIZATION THAT IS  
14 EXEMPT FROM FEDERAL INCOME TAX UNDER § 501(C)(3) OF THE INTERNAL  
15 REVENUE CODE.

16 (E) “PROGRAM” MEANS THE GREEN AND RENEWABLE ENERGY  
17 EFFICIENCY FOR NONPROFITS LOAN PROGRAM.

18 (F) “QUALIFYING ENERGY SYSTEM” MEANS A SYSTEM THAT:

19 (1) GENERATES ELECTRICITY OR USABLE THERMAL ENERGY THAT IS  
20 USED TO MEET ON–SITE DEMAND; AND

21 (2) ASSISTS THE STATE IN MEETING THE ENVIRONMENTAL AND  
22 GREENHOUSE GAS REDUCTION GOALS UNDER TITLE 2, SUBTITLE 12 OF THE  
23 ENVIRONMENT ARTICLE.

24 **10–863.**

25 **THERE IS A GREEN AND RENEWABLE ENERGY EFFICIENCY FOR NONPROFITS**  
26 **LOAN PROGRAM IN THE CENTER.**

27 **10–864.**

28 **THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE IN**  
29 **THE FORM OF NO–INTEREST LOANS TO NONPROFIT ORGANIZATIONS FOR:**

1           **(1) THE PLANNING, PURCHASE, AND INSTALLATION OF QUALIFYING**  
2 **ENERGY SYSTEMS IN THE STATE; AND**

3           **(2) ACTIONS THAT IMPROVE ENERGY EFFICIENCY, SUCH AS**  
4 **REPAIRING OR REPLACING WINDOWS, DOORS, AND HEATING, VENTILATION, AND**  
5 **AIR-CONDITIONING SYSTEMS AND OTHER SIMILAR IMPROVEMENTS.**

6 **10-865.**

7           **THE CENTER SHALL:**

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

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

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

13 **10-866.**

14           **(A) (1) A BORROWER MUST FILE AN APPLICATION WITH THE CENTER TO**  
15 **RECEIVE A LOAN UNDER THE PROGRAM.**

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

18           **(B) THE APPLICATION MUST CONTAIN ANY INFORMATION THE CENTER**  
19 **DETERMINES IS NECESSARY, INCLUDING:**

20           **(1) THE PROJECTED COST OF THE QUALIFYING ENERGY SYSTEM,**  
21 **ENERGY EFFICIENCY ACTION, OR TECHNICAL ASSISTANCE BEING FINANCED**  
22 **THROUGH THE LOAN;**

23           **(2) THE LOCATION OF THE PROPERTY WHERE THE QUALIFYING**  
24 **ENERGY SYSTEM WILL BE INSTALLED OR AN ENERGY EFFICIENCY ACTION WILL**  
25 **OCCUR AND WHETHER THE PROPERTY IS OWNED OR LEASED BY THE APPLICANT;**  
26 **AND**

27           **(3) ANY ADDITIONAL INFORMATION RELATING TO THE BORROWER OR**  
28 **THE PROPOSED QUALIFYING ENERGY SYSTEM OR ENERGY EFFICIENCY ACTION**  
29 **BEING FINANCED THROUGH THE LOAN THAT MAY BE REQUIRED BY THE CENTER TO**  
30 **ADMINISTER THE PROGRAM.**

1 (C) THE CENTER MAY APPROVE AN APPLICATION FOR A LOAN SPECIFIED IN  
2 § 10-867(A)(1) OF THIS SUBTITLE ONLY IF THE APPLICATION DEMONSTRATES THAT  
3 THE PROPOSED QUALIFYING ENERGY SYSTEM OR ENERGY EFFICIENCY ACTION IS  
4 ESTIMATED, BASED ON PROJECTED ENERGY COSTS, TO GENERATE ENERGY COST  
5 SAVINGS OVER THE USEFUL LIFE OF THE SYSTEM OR ENERGY EFFICIENCY ACTION  
6 THAT EQUAL OR EXCEED THE TOTAL AMORTIZED COST OF THE LOAN.

7 (D) IN APPROVING AN APPLICATION, THE CENTER SHALL CONSIDER AND  
8 GIVE PRIORITY TO AN APPLICANT THAT HAS AN ANNUAL BUDGET OF \$1,000,000 OR  
9 LESS.

10 10-867.

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

12 (1) THE PURCHASE AND INSTALLATION OF A QUALIFYING ENERGY  
13 SYSTEM, INCLUDING ANY NECESSARY ANCILLARY MACHINERY, EQUIPMENT, OR  
14 FURNISHINGS;

15 (2) TECHNICAL ASSISTANCE FOR THE PLANNING AND INSTALLATION  
16 OF A QUALIFYING ENERGY SYSTEM; AND

17 (3) ACTIONS THAT IMPROVE ENERGY EFFICIENCY, SUCH AS  
18 REPAIRING OR REPLACING WINDOWS, DOORS, AND HEATING, VENTILATION, AND  
19 AIR-CONDITIONING SYSTEMS AND OTHER SIMILAR IMPROVEMENTS.

20 (B) EACH BORROWER FOR A LOAN UNDER SUBSECTION (A)(1) OF THIS  
21 SECTION SHALL CONTRIBUTE AT LEAST 10% OF THE COST OF THE QUALIFYING  
22 ENERGY SYSTEM OR ENERGY EFFICIENCY ACTION.

23 (C) (1) LOANS MADE UNDER THE PROGRAM SHALL BE REPAYABLE BY  
24 THE BORROWER IN ACCORDANCE WITH A SCHEDULE SET BY THE CENTER.

25 (2) THE SCHEDULE SET BY THE CENTER MAY BE ON A DEFERRED  
26 PAYMENT BASIS.

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

29 (2) THE ASSURANCES:

30 (I) SHALL INCLUDE A PROMISSORY NOTE; AND

31 (II) MAY INCLUDE A PLAN FOR REPAYMENT.

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

4 10-868.

5 (A) THERE IS A GREEN AND RENEWABLE ENERGY EFFICIENCY FOR  
6 NONPROFITS LOAN FUND.

7 (B) THE CENTER SHALL ADMINISTER THE FUND.

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

10 (2) ~~THE STATE TREASURER~~ CENTER SHALL HOLD THE FUND  
11 SEPARATELY, ~~AND THE COMPTROLLER SHALL~~ ACCOUNT FOR THE FUND.

12 (D) THE FUND CONSISTS OF:

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

14 (2) MONEY TRANSFERRED FROM THE STRATEGIC ENERGY  
15 INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THE STATE GOVERNMENT  
16 ARTICLE;

17 (3) MONEY RECEIVED FROM ANY PUBLIC OR PRIVATE SOURCE;

18 (4) INTEREST AND INVESTMENT EARNINGS OF THE FUND; AND

19 (5) REPAYMENTS AND PREPAYMENTS ON LOANS MADE FROM THE  
20 FUND.

21 (E) (1) IN FISCAL YEAR 2028, THE GOVERNOR MAY INCLUDE IN THE  
22 ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000 FOR THE FUND.

23 (2) IN FISCAL YEAR 2029, THE GOVERNOR MAY INCLUDE IN THE  
24 ANNUAL BUDGET BILL AN APPROPRIATION EQUAL TO AT LEAST \$5,000,000 MINUS  
25 THE AMOUNT IN THE FUND AS OF JUNE 30 OF THE IMMEDIATELY PRECEDING  
26 FISCAL YEAR.

27 (F) THE FUND MAY BE USED ONLY:

28 (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~~ CENTER SHALL INVEST AND REINVEST  
4 THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY HELD BY  
5 THE CENTER MAY BE 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 10-869. RESERVED.

11 10-870. RESERVED.

12 Article – State Finance and Procurement

13 6-226.

14 (a) (2) (i) This paragraph does not apply in fiscal years 2024 through 2028.

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

21 (iii) The provisions of subparagraph (ii) of this paragraph do not  
22 apply to the following funds:

23 212. the Department of Social and Economic Mobility Special  
24 Fund; [and]

25 213. the Population Health Improvement Fund; AND

26 214. THE GREEN AND RENEWABLE ENERGY EFFICIENCY  
27 FOR NONPROFITS LOAN FUND.

28 Article – State Government

29 9-20B-05.

30 (a) There is a Maryland Strategic Energy Investment Fund.

1 (f) The Administration shall use the Fund:

2 (13) notwithstanding subsection (g) of this section, to pay costs associated  
3 with the Air and Radiation Administration within the Department of the Environment;  
4 [and]

5 **(14) TO PROVIDE FUNDS TO THE GREEN AND RENEWABLE ENERGY**  
6 **EFFICIENCY FOR NONPROFITS LOAN FUND ESTABLISHED UNDER § 10-868 OF THE**  
7 **ECONOMIC DEVELOPMENT ARTICLE; AND**

8 [(14)] **(15)** to pay the expenses of the Program.

9 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2027, the  
10 Maryland Clean Energy Center shall:

11 (1) establish an application process for loans made under the Green and  
12 Renewable Energy Efficiency for Nonprofits Loan Program in Title 10, Subtitle 8 of the  
13 Economic Development Article, as enacted by Section 2 of this Act;

14 (2) set guidelines and considerations for application, selection, and  
15 repayment that include:

16 (i) nonprofit organizations that own, rather than rent, their  
17 buildings;

18 (ii) property size and kilowatt-hours of energy used;

19 (iii) geographic diversity;

20 (iv) ethnic and racial diversity;

21 (v) economic diversity;

22 (vi) nonprofit organization mission diversity;

23 (vii) access to the borrower's portion of the cost of the qualifying  
24 energy system; and

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

26 (3) develop and implement an advertising campaign for the Green and  
27 Renewable Energy Efficiency for Nonprofits Loan Program.

28 SECTION 4. AND BE IT FURTHER ENACTED, That Sections 1 and 2 of this Act  
29 shall take effect July 1, 2027.

1 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section  
2 4 of this Act, this Act shall take effect July 1, 2026.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.