

March 2, 2022

Testimony on Senate Bill 683
Renewable Energy for Nonprofit Organizations Loan Program
Senate Budget and Taxation Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1300 nonprofit organizations and institutions. We strongly urge you to support Senate Bill 683, to assist nonprofits with investments that will benefit their long-term financial stability and contribute to the state's efforts to maximize the benefits of clean energy.

Nonprofits have suffered along with the rest of the private sector throughout the pandemic, with disruption of operations, revenue losses, and workforce shortages. Their financial reserves, in most cases less than adequate even pre-pandemic, have suffered seriously. Even in the best of times, their ability to upgrade facilities or invest in newer technologies has been limited by difficulties in borrowing.

Significant financial incentives already exist to promote the broad use of renewable energy sources by individuals or businesses. But because the tax code is being used as the vehicle for these policy incentives, they are not applicable to tax exempt organizations.

Senate Bill 683 would provide many tax exempt nonprofits the opportunity to make long term investments in their buildings taking advantage of the benefits of renewable energy sources. These investments would benefit the public in several ways. Nonprofits can provide more services when operating more efficiently with reduced energy costs. The buildings they improve, or any value increase realized when they would be sold, are actually assets that must continue to be used or dedicated for the benefit of the public.

Finally, increased use of renewable energy helps the community and the state to reduce reliance on fossil fuels and lessen the threat of global warming.

We urge you to give SB 683 a favorable report.