

## **Draft Testimony**

### **Testimony on Senate Bill 105**

### **Green and Renewable Energy for Nonprofit Organizations Loan Program and Fund Senate Budget and Tax Committee**

#### **Position: Favorable**

Maryland Nonprofits is a statewide association of almost 2000 nonprofit organizations and institutions. We are asking you to support this proposal to establish a Green and Renewable Energy Loan Program 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 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.

More than ever nonprofits should be encouraged and assisted to play a larger role in Maryland's transition to Green Energy. 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 most of these incentives, they are not as easily accessible to cash-strapped nonprofit organizations.

Senate Bill 105 would provide many charitable nonprofits the opportunity to make long term investments in their buildings taking advantage of the benefits of renewable energy sources. These investments can also 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.

It is important note that the program funding does not take effect until FY 27, and may be sourced from special energy-related funds.

**We urge you to give Senate Bill 105 a favorable report.**