

Introduced 03.03.2025
Public Hearing 03.17.2025
Council Action 04.07.2025
Executive Action 04.10.2025
Effective Date 06.10.2025

County Council of Howard County, Maryland

2025 Legislative Session

Legislative Day No.

Bill No. 17 -2025

Introduced by: Christiana Rigby

Short Title: Geothermal Energy Devices Tax Credit Act

Title: AN ACT reestablishing a tax credit exclusively for geothermal energy devices; allowing the credit to be granted only for applications related to geothermal devices filed on or before a certain date; and generally relating to the tax credit exclusively for geothermal energy devices.

Introduced and read first time March 3, 2025. Ordered posted and hearing scheduled.
By order Michelle Harrod
Michelle Harrod, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on March 17, 2025.

By order Michelle Harrod
Michelle Harrod, Administrator

This Bill was read the third time on April 7, 2025, and Passed ☒, Passed with amendments _____, Failed _____.

By order Michelle Harrod
Michelle Harrod, Administrator

Sealed with the County Seal and presented to the County Executive for approval this 8 day of April, 2025 at 2⁰⁰ a.m./p.m.

By order Michelle Harrod
Michelle Harrod, Administrator

Approved/Vetoed by the County Executive April 10, 2025.

Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **WHEREAS**, Section 20.128A of the Howard County Code currently provides
2 property tax credits for qualifying energy conservation devices, including solar and
3 geothermal energy devices, as authorized under Section 9-203 of the Tax-Property
4 Article of the Annotated Code of Maryland; and

5
6 **WHEREAS**, the County Council aims to reinstate the property tax credit
7 exclusively for geothermal energy devices, effective with tax years beginning after June
8 30, 2025; and

9
10 **WHEREAS**, the application process outlined in Section 20.128A of the Howard
11 County Code will remain unchanged; and

12
13 **WHEREAS**, this amendment aligns with Howard County’s commitment to
14 supporting sustainable energy initiatives by focusing the tax credit exclusively on
15 geothermal energy devices;

16
17 **NOW, THEREFORE,**

18
19 *Section 1. Be It Enacted by the County Council of Howard County, Maryland, that the*
20 *Howard County Code is amended as follows:*

21
22 *By amending:*

23 *Title 20 – Taxes, charges, and fees*

24 *Subtitle 1. Real property tax; administration, credits, and enforcement.*

25 *Part III. State-Authorized Howard County tax credits.*

26 *Section 20.128A “Qualifying energy conservation*
27 *devices”*

1 **Title 20. Taxes, Charges, and Fees.**

2 **Subtitle 1. Real Property Tax; Administration, Credits, and Enforcement.**

3 **Part III. State-Authorized Howard County Tax Credits.**

4
5 **Section 20.128A. ~~[[Qualifying]] GEOTHERMAL energy [[conservation]] devices.~~**

6 (a) *Definitions:*

7 (1) In this section, the following terms have the meanings indicated:

8 ~~[[~~(2) *Solar energy device* means an energy conserving device that:

9 (i) Uses solar energy to heat or cool a structure, to provide hot water for use
10 in the structure or to generate electricity to be used in the structure; and

11 (ii) Meets national safety and performance standards set by a nationally
12 recognized testing laboratory for that kind of device.]]

13 ~~[[~~(3)]2) *Geothermal energy device* means an energy conserving device that:

14 (i) Uses A geothermal HEAT PUMP ~~[[energy]]~~ to heat or cool a structure OR to
15 provide hot water for use in the structure ~~[[or to generate electricity to be~~
16 used in the structure]]]; and

17 (ii) Meets national safety and performance standards set by a nationally
18 recognized testing laboratory for that kind of device.

19 (b) *Credit Authorized.* In accordance with section 9-203 of the tax-property article of the
20 Annotated Code of Maryland and the provisions of this section, the owner of real
21 property may receive a property tax credit against the County property tax imposed
22 on a residential structure that utilizes a ~~[[solar energy device or]]~~ geothermal energy
23 device.

24 (c) *Amount of Credit.* The tax credit allowed under this section is the lesser of:

25 (1) Fifty percent of the eligible costs; or

26 (2) Five thousand dollars for a heating system or \$1,500.00 for a hot water supply
27 system.

28 (d) *Eligible Costs.* Eligible costs are those that are incurred:

- (1) Within the 12 months before the initial application for the credit; and
- (2) For ~~[[the solar energy device or]]~~ geothermal energy ~~[[device]]~~ DEVICES, including any part, component, or accessory equipment necessary to operate the device, and reasonable costs associated with installing the device.

(e) *Annual Limit on Amount of Credits Granted:*

- (1) During a fiscal year, the total of all tax credits granted under this section shall not exceed \$500,000.00.
- (2) Credits shall be granted in the order in which the Department of Finance receives the complete applications under subsection (f) of this section.
- (3) A complete application that, if granted, would cause the limit set forth in paragraph (1) of this subsection to be exceeded, shall be granted in the next fiscal year or years and in the order received.

(f) *Application of the Credit:*

- (1) The amount of the credit applied in a tax year may not exceed the amount of the County property tax imposed on the property in that tax year.
- (2) Any amount of the credit not taken in the tax year in which the application is granted may be carried over for an additional two years.
- (3) When a tax credit is carried over under this subsection, the full amount of the tax credit shall be deducted from the total annual limit set forth in subsection (e) of this section in the year in which the application is granted.

(g) *Application for the Credit:*

- (1) An applicant for a tax credit under this section shall submit an application to the Director of Finance on or before the date that the Director sets.
- (2) An application shall:
 - (i) Be on the form that the Director requires;
 - (ii) Demonstrate that the taxpayer is entitled to the credit; and
 - (iii) Include a certification from the Department of Inspections, Licenses and Permits stating that the device for which the credit is sought:

- 1 1. Is a [[solar energy device or a]] geothermal energy device; and
- 2 2. Has been properly installed.
- 3 (h) *Effective Date.* The credit authorized by this section applies to tax years beginning
- 4 after June 30, [[2007]] 2025.

5

6 ***Section 2. And Be It Further Enacted by the County Council of Howard County,***

7 ***Maryland, that this Act shall become effective 61 days after its enactment.***

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on April 10, 2025.

Michelle R. Harrod
Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on _____, 2025.

Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on _____, 2025.

Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on _____, 2025.

Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on _____, 2025.

Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on _____, 2025.

Michelle R. Harrod, Administrator to the County Council

