

SENATE BILL 105

P1, M5
SB 169/24 – B&T

(PRE-FILED)

5lr0687
CF HB 145

By: **Senator Kagan**

Requested: August 14, 2024

Introduced and read first time: January 8, 2025

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 24, 2025

CHAPTER _____

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~~ Maryland
6 Clean Energy Center to provide financial assistance to nonprofit organizations for
7 the planning, purchase, and installation of qualifying energy systems; establishing
8 the Green and Renewable Energy for Nonprofit Organizations Loan Fund as a
9 special, nonlapsing fund; requiring interest earnings of the Green and Renewable
10 Energy for Nonprofit Organizations Loan Fund to be paid into the Green and
11 Renewable Energy for Nonprofit Organizations Loan Fund; altering the uses of the
12 Maryland Strategic Energy Investment Fund to include providing funds to the Green
13 and Renewable Energy for Nonprofit Organizations Loan Fund; and generally
14 relating to the Green and Renewable Energy for Nonprofit Organizations Loan
15 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 2024 Supplement)

22 BY adding to

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.



Article – Economic Development

Section 10–862 through 10–868 to be under the new part “Part VII. Green and Renewable Energy for Nonprofit Organizations Loan Program”

Annotated Code of Maryland

(2024 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(i)

Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)204. and 205.

Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)

BY adding to

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)206.

Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government

Section 9–20B–05(a)

Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–20B–05(f)(12) and (13)

Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)

BY adding to

Article – State Government

~~Section 9–20B–05(f)(13); and 9–2101 through 9–2107 to be under the new subtitle “Subtitle 21. Green and Renewable Energy for Nonprofit Organizations Loan~~

~~Program”~~

Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That Section(s) 10–862 and the part “Part VII. Short Title” of Article – Economic

Development of the Annotated Code of Maryland be renumbered to be Section(s) 10-871 and the part "Part VIII. Short Title".

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

~~Article — State Finance and Procurement~~

~~6-226.~~

~~(a) (2) (i) 1. This subparagraph does not apply in fiscal years 2024 through 2028.~~

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

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

~~204. the Climate Technology Founder's Fund; [and]~~

~~205. the Victims of Domestic Violence Program Grant Fund;~~

~~AND~~

~~206. THE GREEN AND RENEWABLE ENERGY FOR NONPROFIT ORGANIZATIONS LOAN FUND.~~

~~Article — State Government~~

~~9-20B-05.~~

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

~~(f) The Administration shall use the Fund:~~

~~(12) to provide grants through the Customer-Sited Solar Program under § 9-2016 of this title; [and]~~

~~(13) TO PROVIDE FUNDS TO THE GREEN AND RENEWABLE ENERGY FOR NONPROFIT ORGANIZATIONS LOAN FUND ESTABLISHED UNDER § 9-2107 OF THIS TITLE; AND~~

~~[(13)] (14) to pay the expenses of the Program.~~

Article – Economic Development

~~SUBTITLE 21.~~ PART VII. GREEN AND RENEWABLE ENERGY FOR NONPROFIT ORGANIZATIONS LOAN PROGRAM.

~~9-2101.~~ 10-862.

(A) IN THIS ~~SUBTITLE~~ PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

~~(B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY ADMINISTRATION.~~

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

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

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

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

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

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

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

~~9-2102.~~ 10-863.

THERE IS A GREEN AND RENEWABLE ENERGY FOR NONPROFIT ORGANIZATIONS LOAN PROGRAM IN THE ~~ADMINISTRATION~~ CENTER.

~~9-2103.~~ 10-864.

1 THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE IN
2 THE FORM OF NO-INTEREST LOANS TO NONPROFIT ORGANIZATIONS FOR:

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

5 (2) ACTIONS THAT IMPROVE ENERGY EFFICIENCY, SUCH AS
6 REPAIRING OR REPLACING WINDOWS, DOORS, AND HEATING, VENTILATING, AND
7 AIR-CONDITIONING SYSTEMS AND OTHER SIMILAR IMPROVEMENTS.

8 ~~9-2104.~~ 10-865.

9 THE ~~ADMINISTRATION~~ CENTER SHALL:

10 (1) MANAGE, SUPERVISE, AND ADMINISTER THE PROGRAM;

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

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

15 ~~9-2105.~~ 10-866.

16 (A) (1) A BORROWER MUST FILE AN APPLICATION WITH THE
17 ~~ADMINISTRATION~~ CENTER TO RECEIVE A LOAN UNDER THE PROGRAM.

18 (2) THE APPLICATION MUST BE SIGNED BY THE CHIEF OPERATING
19 OFFICER OR AN AUTHORIZED OFFICER OF THE NONPROFIT ORGANIZATION.

20 (B) THE APPLICATION MUST CONTAIN ANY INFORMATION THE
21 ~~ADMINISTRATION~~ CENTER DETERMINES IS NECESSARY, INCLUDING:

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

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

29 (3) ANY ADDITIONAL INFORMATION RELATING TO THE BORROWER OR
30 THE PROPOSED QUALIFYING ENERGY SYSTEM OR ENERGY EFFICIENCY ACTION

1 BEING FINANCED THROUGH THE LOAN THAT MAY BE REQUIRED BY THE
2 ~~ADMINISTRATION~~ CENTER TO ADMINISTER THE PROGRAM.

3 (C) THE ~~ADMINISTRATION~~ CENTER MAY APPROVE AN APPLICATION FOR A
4 LOAN SPECIFIED IN § ~~9-2106(A)(1)~~ 10-867(A)(1) OF THIS SUBTITLE ONLY IF THE
5 APPLICATION DEMONSTRATES THAT THE PROPOSED QUALIFYING ENERGY SYSTEM
6 OR ENERGY EFFICIENCY ACTION IS ESTIMATED, BASED ON PROJECTED ENERGY
7 COSTS, TO GENERATE ENERGY COST SAVINGS OVER THE USEFUL LIFE OF THE
8 SYSTEM OR ENERGY EFFICIENCY ACTION THAT EQUAL OR EXCEED THE TOTAL
9 AMORTIZED COST OF THE LOAN.

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

13 ~~9-2106.~~ 10-867.

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

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

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

20 (3) ACTIONS THAT IMPROVE ENERGY EFFICIENCY, SUCH AS
21 REPAIRING OR REPLACING WINDOWS, DOORS, AND HEATING, VENTILATING, AND
22 AIR-CONDITIONING SYSTEMS AND OTHER SIMILAR IMPROVEMENTS.

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

26 (C) (1) LOANS MADE UNDER THE PROGRAM SHALL BE REPAYABLE BY
27 THE BORROWER IN ACCORDANCE WITH A SCHEDULE SET BY THE ~~ADMINISTRATION~~
28 CENTER.

29 (2) THE SCHEDULE SET BY THE ~~ADMINISTRATION~~ CENTER MAY BE
30 ON A DEFERRED PAYMENT BASIS.

31 (D) (1) A BORROWER SHALL PROVIDE ASSURANCES FOR THE
32 REPAYMENT OF A LOAN.

(2) THE ASSURANCES:

(I) SHALL INCLUDE A PROMISSORY NOTE; AND

(II) MAY INCLUDE A PLAN FOR REPAYMENT.

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

~~9-2107, 10-868.~~

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

(B) THE ~~ADMINISTRATION~~ CENTER SHALL ADMINISTER THE FUND.

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

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

(D) THE FUND CONSISTS OF:

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

(2) MONEY TRANSFERRED FROM THE STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF ~~THIS TITLE~~ THE STATE FINANCE AND PROCUREMENT ARTICLE;

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

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

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

(E) (1) IN FISCAL YEAR 2027, THE GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000 FOR THE FUND.

(2) IN FISCAL YEAR 2028, THE GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION EQUAL TO AT LEAST \$5,000,000 MINUS THE AMOUNT IN THE FUND AS OF JUNE 30 OF THE IMMEDIATELY PRECEDING FISCAL YEAR.

(F) THE FUND MAY BE USED ONLY:

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

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

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

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

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

10-869. RESERVED.

10-870. RESERVED.

Article – State Finance and Procurement

6-226.

(a) (2) (i) 1. This subparagraph does not apply in fiscal years 2024 through 2028.

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

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

204. the Climate Technology Founder's Fund; [and]

205. the Victims of Domestic Violence Program Grant Fund;

AND

**206. THE GREEN AND RENEWABLE ENERGY FOR
NONPROFIT ORGANIZATIONS LOAN FUND.**

Article – State Government

9–20B–05.

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

(f) The Administration shall use the Fund:

(12) to provide grants through the Customer–Sited Solar Program under §
9–2016 of this title; [and]

**(13) TO PROVIDE FUNDS TO THE GREEN AND RENEWABLE ENERGY
FOR NONPROFIT ORGANIZATIONS LOAN FUND ESTABLISHED UNDER § 10–868 OF
THE ECONOMIC DEVELOPMENT ARTICLE; AND**

[(13)] (14) to pay the expenses of the Program.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2026,
the ~~Maryland Energy Administration~~ Maryland Clean Energy Center shall:

(1) establish an application process for loans made under the Green and
Renewable Energy for Nonprofit Organizations Loan Program in ~~Title 9, Subtitle 21 of the
State Government~~ Title 10, Subtitle 8 of the Economic Development Article, as enacted by
Section ~~4~~ 2 of this Act;

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

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

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

(iii) geographic diversity;

(iv) ethnic and racial diversity;

(v) economic diversity;

(vi) nonprofit organization mission diversity;

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

(viii) process and frequency of loan repayment; and

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

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That Section ~~1~~ 2 of this Act shall take effect July 1, 2026.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That, except as provided in Section ~~3~~ 4 of this Act, this Act shall take effect July 1, 2025.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.