

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

A BILL ENTITLED

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

15 BY repealing and reenacting, without amendments,
16 Article – State Finance and Procurement
17 Section 6–226(a)(2)(i)
18 Annotated Code of Maryland
19 (2021 Replacement Volume and 2024 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – State Finance and Procurement
22 Section 6–226(a)(2)(ii)204. and 205.
23 Annotated Code of Maryland
24 (2021 Replacement Volume and 2024 Supplement)

25 BY adding to
26 Article – State Finance and Procurement
27 Section 6–226(a)(2)(ii)206.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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 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.

**SUBTITLE 21. GREEN AND RENEWABLE ENERGY FOR NONPROFIT
ORGANIZATIONS LOAN PROGRAM.**

9–2101.

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

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

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

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

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

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

(G) “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.

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

9-2103.

THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE IN THE FORM OF NO-INTEREST LOANS TO NONPROFIT ORGANIZATIONS FOR THE PLANNING, PURCHASE, AND INSTALLATION OF QUALIFYING ENERGY SYSTEMS IN THE STATE.

9-2104.

THE ADMINISTRATION SHALL:

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

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

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

9-2105.

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

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

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

(1) THE PROJECTED COST OF THE QUALIFYING ENERGY SYSTEM OR

1 TECHNICAL ASSISTANCE BEING FINANCED THROUGH THE LOAN;

2 (2) THE LOCATION OF THE PROPERTY WHERE THE QUALIFYING
3 ENERGY SYSTEM WILL BE INSTALLED AND WHETHER THE PROPERTY IS OWNED OR
4 LEASED BY THE APPLICANT; AND

5 (3) ANY ADDITIONAL INFORMATION RELATING TO THE BORROWER OR
6 THE PROPOSED QUALIFYING ENERGY SYSTEM BEING FINANCED THROUGH THE
7 LOAN THAT MAY BE REQUIRED BY THE ADMINISTRATION TO ADMINISTER THE
8 PROGRAM.

9 (C) THE ADMINISTRATION MAY APPROVE AN APPLICATION FOR A LOAN
10 SPECIFIED IN § 9-2106(A)(1) OF THIS SUBTITLE ONLY IF THE APPLICATION
11 DEMONSTRATES THAT THE PROPOSED QUALIFYING ENERGY SYSTEM IS ESTIMATED,
12 BASED ON PROJECTED ENERGY COSTS, TO GENERATE ENERGY COST SAVINGS OVER
13 THE USEFUL LIFE OF THE SYSTEM THAT EQUAL OR EXCEED THE TOTAL AMORTIZED
14 COST OF THE LOAN.

15 (D) IN APPROVING AN APPLICATION, THE ADMINISTRATION SHALL
16 CONSIDER AND GIVE PRIORITY TO AN APPLICANT THAT HAS AN ANNUAL BUDGET OF
17 \$1,000,000 OR LESS.

18 9-2106.

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

20 (1) THE PURCHASE AND INSTALLATION OF A QUALIFYING ENERGY
21 SYSTEM, INCLUDING ANY NECESSARY ANCILLARY MACHINERY, EQUIPMENT, OR
22 FURNISHINGS; AND

23 (2) TECHNICAL ASSISTANCE FOR THE PLANNING AND INSTALLATION
24 OF A QUALIFYING ENERGY SYSTEM.

25 (B) EACH BORROWER FOR A LOAN UNDER SUBSECTION (A)(1) OF THIS
26 SECTION SHALL CONTRIBUTE AT LEAST 10% OF THE COST OF THE QUALIFYING
27 ENERGY SYSTEM.

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

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

32 (D) (1) A BORROWER SHALL PROVIDE ASSURANCES FOR THE

1 REPAYMENT OF A LOAN.

2 (2) THE ASSURANCES:

3 (I) SHALL INCLUDE A PROMISSORY NOTE; AND

4 (II) MAY INCLUDE A PLAN FOR REPAYMENT.

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

8 9-2107.

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

11 (B) THE ADMINISTRATION SHALL ADMINISTER THE FUND.

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

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

16 (D) THE FUND CONSISTS OF:

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

18 (2) MONEY TRANSFERRED FROM THE STRATEGIC ENERGY
19 INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THIS TITLE;

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

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

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

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

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

1 FISCAL YEAR.

2 (F) THE FUND MAY BE USED ONLY:

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

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

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

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

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

13 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before July 1, 2026, the
14 Maryland Energy Administration shall:

15 (1) establish an application process for loans made under the Green and
16 Renewable Energy for Nonprofit Organizations Loan Program in Title 9, Subtitle 21 of the
17 State Government Article, as enacted by Section 1 of this Act;

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

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

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

23 (iii) geographic diversity;

24 (iv) ethnic and racial diversity;

25 (v) economic diversity;

26 (vi) nonprofit organization mission diversity;

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

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

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

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

5 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section
6 3 of this Act, this Act shall take effect July 1, 2025.