

SENATE BILL 186

P1, M5
SB 683/22 – B&T

3lr0461
CF HB 1248

By: **Senator Kagan**

Introduced and read first time: January 20, 2023

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 18, 2023

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 to provide
6 financial assistance to nonprofit organizations for the purchase and installation of
7 qualifying energy systems and technical assistance for the planning and installation
8 of qualifying energy systems; establishing the Green and Renewable Energy for
9 Nonprofit Organizations Loan Fund as a special, nonlapsing fund; requiring interest
10 earnings of the Fund to be paid into the Fund; requiring the Administration, on or
11 before a certain date, to establish an application process, set guidelines and
12 considerations for application, selection, and repayment for loans made under the
13 Program, and develop an advertising campaign for the Program; and generally
14 relating to the Green and Renewable Energy for Nonprofit Organizations Loan
15 Program and Fund.

16 BY adding to

17 Article – State Government

18 Section 9–2101 through 9–2107 to be under the new subtitle “Subtitle 21. Green and
19 Renewable Energy for Nonprofit Organizations Loan Program”

20 Annotated Code of Maryland

21 (2021 Replacement Volume and 2022 Supplement)

22 BY repealing and reenacting, without amendments,

23 Article – State Finance and Procurement

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.



1 Section 6–226(a)(2)(i)
2 Annotated Code of Maryland
3 (2021 Replacement Volume and 2022 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – State Finance and Procurement
6 Section 6–226(a)(2)(ii)170. and 171.
7 Annotated Code of Maryland
8 (2021 Replacement Volume and 2022 Supplement)

9 BY adding to
10 Article – State Finance and Procurement
11 Section 6–226(a)(2)(ii)172.
12 Annotated Code of Maryland
13 (2021 Replacement Volume and 2022 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
15 That the Laws of Maryland read as follows:

16 **Article – State Government**

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

19 **9–2101.**

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

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

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

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

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

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

33 **(G) “QUALIFYING ENERGY SYSTEM” MEANS A SYSTEM THAT:**

1 **(1) GENERATES ELECTRICITY OR USABLE THERMAL ENERGY THAT IS**
2 **USED TO MEET ONSITE DEMAND; AND**

3 **(2) ASSISTS THE STATE IN MEETING THE ENVIRONMENTAL AND**
4 **GREENHOUSE GAS REDUCTION GOALS UNDER § 2-1205 OF THE ENVIRONMENT**
5 **ARTICLE.**

6 **9-2102.**

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

9 **9-2103.**

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

13 **9-2104.**

14 **THE ADMINISTRATION SHALL:**

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

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

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

20 **9-2105.**

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

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

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

27 **(1) THE PROJECTED COST OF THE QUALIFYING ENERGY SYSTEM OR**
28 **TECHNICAL ASSISTANCE BEING FINANCED THROUGH THE LOAN;**

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

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

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

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

17 **9-2106.**

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

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

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

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

27 **(C) LOANS MADE UNDER THE PROGRAM SHALL BE REPAYABLE BY THE**
28 **BORROWER IN ACCORDANCE WITH A SCHEDULE THAT THE ADMINISTRATION SETS,**
29 **WHICH MAY BE ON A DEFERRED PAYMENT BASIS.**

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

32 **(2) THE ASSURANCES:**

1 (I) SHALL INCLUDE A PROMISSORY NOTE; AND

2 (II) MAY INCLUDE A PLAN FOR REPAYMENT.

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

6 9-2107.

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

9 (B) THE ADMINISTRATION SHALL ADMINISTER THE FUND.

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

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

14 (D) THE FUND CONSISTS OF:

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

16 (2) MONEY RECEIVED FROM ANY PUBLIC OR PRIVATE SOURCE;

17 (3) INTEREST AND INVESTMENT EARNINGS OF THE FUND; AND

18 (4) REPAYMENTS AND PREPAYMENTS ON LOANS MADE FROM THE
19 FUND.

20 (E) (1) IN FISCAL YEAR 2025, THE GOVERNOR ~~SHALL~~ MAY INCLUDE IN
21 THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000 FOR THE FUND.

22 (2) IN FISCAL YEAR 2026, THE GOVERNOR ~~SHALL~~ MAY INCLUDE IN
23 THE ANNUAL BUDGET BILL AN APPROPRIATION EQUAL TO AT LEAST \$5,000,000
24 MINUS THE AMOUNT IN THE FUND AS OF JUNE 30 OF THE IMMEDIATELY PRECEDING
25 FISCAL YEAR.

26 (F) THE FUND MAY BE USED ONLY:

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

- 1 (ii) property size and kilowatt–hours of energy used;
- 2 (iii) geographic diversity;
- 3 (iv) ethnic and racial diversity;
- 4 (v) economic diversity;
- 5 (vi) nonprofit organization mission diversity;
- 6 (vii) access to the borrower’s portion of the cost of the qualifying
- 7 energy system; and
- 8 (viii) process and frequency of loan repayment; and

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

11 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take
 12 effect July 1, 2024.

13 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section
 14 3 of this Act, this Act shall take effect July 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.