

SENATE BILL 683

P1, M5

2lr1397

By: **Senator Kagan**

Introduced and read first time: February 4, 2022

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 18, 2022

CHAPTER _____

1 AN ACT concerning

2 **Renewable Energy for Nonprofit Organizations Loan Program**

3 FOR the purpose of establishing the Renewable Energy for Nonprofit Organizations Loan
4 Program in the Maryland Energy Administration; authorizing nonprofit
5 organizations to apply for and obtain loans from the Program for the purchase and
6 installation of qualifying renewable energy systems; establishing the Renewable
7 Energy for Nonprofit Organizations Loan Fund as a special, nonlapsing fund;
8 requiring interest earnings of the Fund to be paid into the Fund; authorizing the
9 Administration to contract with third parties to make, service, or settle loans under
10 the Program; requiring the Administration, on or before a certain date, to establish
11 an application process, set guidelines and considerations for application, selection,
12 and repayment for loans made under the Program, and develop an advertising
13 campaign for the Program; requiring the Administration, on or before a certain date,
14 to report to the General Assembly on the activity of the Program; and generally
15 relating to the Renewable Energy for Nonprofit Organizations Loan Program.

16 BY adding to

17 Article – State Government

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

20 Annotated Code of Maryland

21 (2021 Replacement Volume)

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)

4 BY repealing and reenacting, with amendments,
5 Article – State Finance and Procurement
6 Section 6–226(a)(2)(ii)144. and 145.
7 Annotated Code of Maryland
8 (2021 Replacement Volume)

9 BY adding to
10 Article – State Finance and Procurement
11 Section 6–226(a)(2)(ii)146.
12 Annotated Code of Maryland
13 (2021 Replacement Volume)

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. RENEWABLE ENERGY FOR NONPROFIT ORGANIZATIONS LOAN**
18 **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 RENEWABLE ENERGY FOR NONPROFIT
27 ORGANIZATIONS LOAN FUND.

28 (E) “GEOTHERMAL HEATING AND COOLING SYSTEM” HAS THE SAME
29 MEANING AS PROVIDED IN § 7–701 OF THE PUBLIC UTILITIES ARTICLE.

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

1 (G) "PROGRAM" MEANS THE RENEWABLE ENERGY FOR NONPROFIT
2 ORGANIZATIONS LOAN PROGRAM.

3 (H) "QUALIFYING RENEWABLE ENERGY SYSTEM" MEANS A:

4 (1) GEOTHERMAL HEATING AND COOLING SYSTEM; OR

5 (2) SOLAR ENERGY SYSTEM, INCLUDING PHOTOVOLTAIC AND SOLAR
6 WATER HEATING SYSTEMS.

7 (I) "SOLAR WATER HEATING SYSTEM" HAS THE SAME MEANING AS
8 PROVIDED IN § 7-701 OF THE PUBLIC UTILITIES ARTICLE.

9 9-2102.

10 THERE IS A RENEWABLE ENERGY FOR NONPROFIT ORGANIZATIONS LOAN
11 PROGRAM IN THE ADMINISTRATION.

12 9-2103.

13 THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE IN
14 THE FORM OF ZERO-INTEREST LOANS TO NONPROFIT ORGANIZATIONS FOR THE
15 PURCHASE AND INSTALLATION OF QUALIFYING RENEWABLE ENERGY SYSTEMS IN
16 THE STATE.

17 9-2104.

18 THE ADMINISTRATION SHALL:

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

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

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

24 9-2105.

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

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

1 **(B) THE APPLICATION SHALL CONTAIN ANY INFORMATION THE**
2 **ADMINISTRATION DETERMINES IS NECESSARY, INCLUDING:**

3 **(1) THE PROJECTED COST OF THE QUALIFYING RENEWABLE ENERGY**
4 **SYSTEM BEING FINANCED THROUGH THE LOAN;**

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

8 **(3) ANY ADDITIONAL INFORMATION RELATING TO THE BORROWER OR**
9 **THE PROPOSED QUALIFYING RENEWABLE ENERGY SYSTEM BEING FINANCED**
10 **THROUGH THE LOAN THAT MAY BE REQUIRED BY THE ADMINISTRATION IN ORDER**
11 **TO ADMINISTER THE PROGRAM.**

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

15 **9-2106.**

16 **(A) LOANS FROM THE FUND MAY BE USED FOR THE COSTS OF PURCHASING**
17 **AND INSTALLING A QUALIFYING RENEWABLE ENERGY SYSTEM, INCLUDING THE**
18 **COSTS OF THE PURCHASE AND INSTALLATION OF ANY NECESSARY ANCILLARY**
19 **MACHINERY, EQUIPMENT, OR FURNISHINGS.**

20 **(B) EACH BORROWER SHALL CONTRIBUTE AT LEAST 10% OF THE COST OF**
21 **THE QUALIFYING RENEWABLE ENERGY SYSTEM.**

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

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

27 **(2) THE ASSURANCES:**

28 **(I) SHALL INCLUDE A PROMISSORY NOTE; AND**

29 **(II) MAY INCLUDE A PLAN FOR REPAYMENT.**

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

4 9-2107.

5 (A) THERE IS A RENEWABLE ENERGY FOR NONPROFIT ORGANIZATIONS
6 LOAN FUND.

7 (B) THE ADMINISTRATION SHALL ADMINISTER THE FUND.

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

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

12 (D) THE FUND CONSISTS OF:

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

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

15 (3) INTEREST AND INVESTMENT EARNINGS ON THE FUND; AND

16 (4) REPAYMENTS AND PREPAYMENTS ON LOANS MADE FROM THE
17 FUND.

18 (E) FOR ~~EACH OF FISCAL YEARS 2024 THROUGH 2026~~ FISCAL YEAR 2024,
19 THE GOVERNOR SHALL PROVIDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION
20 OF ~~\$5,000,000~~ \$500,000 FOR THE FUND.

21 (F) THE FUND MAY BE USED ONLY:

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

23 (2) TO PROVIDE LOANS TO ELIGIBLE BORROWERS.

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

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

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

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

4 (3) develop and implement an advertising campaign for the Program.

5 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2024, the
6 Maryland Energy Administration shall report to the General Assembly, in accordance with
7 § 2–1257 of the State Government Article, on the activity of the Renewable Energy for
8 Nonprofit Organizations Loan Program, including the number of applicants and amounts
9 awarded.

10 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
11 take effect July 1, 2023.

12 SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That, except as provided in
13 Section ~~3~~ 4 of this Act, this Act shall take effect July 1, 2022.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.