

# SENATE BILL 683

P1, M5

2lr1397

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By: **Senator Kagan**

Introduced and read first time: February 4, 2022

Assigned to: Budget and Taxation

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## A BILL ENTITLED

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; and generally relating to the Renewable Energy for  
14 Nonprofit Organizations Loan Program.

15 BY adding to

16 Article – State Government  
17 Section 9–2101 through 9–2107 to be under the new subtitle “Subtitle 21. Renewable  
18 Energy for Nonprofit Organizations Loan Program”  
19 Annotated Code of Maryland  
20 (2021 Replacement Volume)

21 BY repealing and reenacting, without amendments,

22 Article – State Finance and Procurement  
23 Section 6–226(a)(2)(i)  
24 Annotated Code of Maryland  
25 (2021 Replacement Volume)

26 BY repealing and reenacting, with amendments,

27 Article – State Finance and Procurement  
28 Section 6–226(a)(2)(ii)144. and 145.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2021 Replacement Volume)

3 BY adding to  
4 Article – State Finance and Procurement  
5 Section 6–226(a)(2)(ii)146.  
6 Annotated Code of Maryland  
7 (2021 Replacement Volume)

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

10 **Article – State Government**

11 **SUBTITLE 21. RENEWABLE ENERGY FOR NONPROFIT ORGANIZATIONS LOAN**  
12 **PROGRAM.**

13 **9–2101.**

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

16 (B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY  
17 ADMINISTRATION.

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

20 (D) “FUND” MEANS THE RENEWABLE ENERGY FOR NONPROFIT  
21 ORGANIZATIONS LOAN FUND.

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

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

27 (G) “PROGRAM” MEANS THE RENEWABLE ENERGY FOR NONPROFIT  
28 ORGANIZATIONS LOAN PROGRAM.

29 (H) “QUALIFYING RENEWABLE ENERGY SYSTEM” MEANS A:

30 (1) GEOTHERMAL HEATING AND COOLING SYSTEM; OR

1           **(2) SOLAR ENERGY SYSTEM, INCLUDING PHOTOVOLTAIC AND SOLAR**  
2 **WATER HEATING SYSTEMS.**

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

5 **9-2102.**

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

8 **9-2103.**

9           **THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE IN**  
10 **THE FORM OF ZERO-INTEREST LOANS TO NONPROFIT ORGANIZATIONS FOR THE**  
11 **PURCHASE AND INSTALLATION OF QUALIFYING RENEWABLE ENERGY SYSTEMS IN**  
12 **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 SHALL CONTAIN ANY INFORMATION THE**  
26 **ADMINISTRATION DETERMINES IS NECESSARY, INCLUDING:**

27           **(1) THE PROJECTED COST OF THE QUALIFYING RENEWABLE ENERGY**

1 SYSTEM BEING FINANCED THROUGH THE LOAN;

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

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

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

12 9-2106.

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

17 (B) EACH BORROWER SHALL CONTRIBUTE AT LEAST 10% OF THE COST OF  
18 THE QUALIFYING RENEWABLE ENERGY SYSTEM.

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

22 (D) (1) A BORROWER SHALL PROVIDE ASSURANCES FOR THE  
23 REPAYMENT OF A LOAN.

24 (2) THE ASSURANCES:

25 (I) SHALL INCLUDE A PROMISSORY NOTE; AND

26 (II) MAY INCLUDE A PLAN FOR REPAYMENT.

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

30 9-2107.

1           (A)   **THERE IS A RENEWABLE ENERGY FOR NONPROFIT ORGANIZATIONS**  
2 **LOAN FUND.**

3           (B)   **THE ADMINISTRATION SHALL ADMINISTER THE FUND.**

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

6                   (2)   **THE STATE TREASURER SHALL HOLD THE FUND, AND THE**  
7 **COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

8           (D)   **THE FUND CONSISTS OF:**

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

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

11                   (3)   **INTEREST AND INVESTMENT EARNINGS ON THE FUND; AND**

12                   (4)   **REPAYMENTS AND PREPAYMENTS ON LOANS MADE FROM THE**  
13 **FUND.**

14           (E)   **FOR EACH OF FISCAL YEARS 2024 THROUGH 2026, THE GOVERNOR**  
15 **SHALL PROVIDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000**  
16 **FOR THE FUND.**

17           (F)   **THE FUND MAY BE USED ONLY:**

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

19                   (2)   **TO PROVIDE LOANS TO ELIGIBLE BORROWERS.**

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

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

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

1 **Article – State Finance and Procurement**

2 6–226.

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

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

11 144. the Health Equity Resource Community Reserve Fund;

12 [and]

13 145. the Access to Counsel in Evictions Special Fund; **AND**

14 **146. THE RENEWABLE ENERGY FOR NONPROFIT**  
 15 **ORGANIZATIONS LOAN FUND.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before July 1, 2023, the  
 17 Maryland Energy Administration shall:

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

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

23 (i) nonprofits that own, rather than rent, their buildings;

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

25 (iii) geographic diversity;

26 (iv) ethnic and racial diversity;

27 (v) economic diversity;

28 (vi) nonprofit mission diversity;

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

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

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

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

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, 2022.