

**KATIE FRY HESTER**  
*Legislative District 9*  
Carroll and Howard Counties

Education, Health, and  
Environmental Affairs Committee

Chair, Joint Committee on  
Cybersecurity, Information Technology  
and Biotechnology



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**THE SENATE OF MARYLAND**  
ANNAPOLIS, MARYLAND 21401

**Testimony In Support of SB722 - Clean Energy Loan Program -  
Environmental Remediation and Resiliency Projects**

February 19th, 2020

Good afternoon Chair Pinsky, Vice Chair Kagan, and Members of the Education, Health, and Environmental Affairs Committee:

I am pleased to present SB722, a bill that would expand financing options for property owners seeking to invest in environmental remediation or resilience projects. This would include such projects as lead paint removal, mold remediation, flood mitigation, and stormwater management projects.

The “Property Assessed Clean Energy (PACE) program,” also known as the “Clean Energy Loan Program,” is a financing mechanism that provides owners of commercial or residential property with 100% of the up-front capital necessary to implement building upgrades that save energy and lower operating cost. Unlike traditional loans, PACE financing allows the property owner to repay the cost of their asset upgrade through a long-term surcharge on the property tax that transfers with the sale of the property. This helps provide up-front liquidity for otherwise challenging projects to property owners and developers. Additionally, it allows banks and lenders to invest confidently, as PACE financing receives priority over other liens on the property to ensure minimal risk on investment.


In the testimony submitted along with this bill, you will find four success stories of the PACE program, including:

- A social services center in Baltimore that utilized this program to build out a new energy efficient wing to their facility;
- The preservation of the historic Brown’s Arcade mixed-use property to build multifamily housing while protecting the historic character of the structure;
- The upgrading of HVAC systems and over 1,000 square feet of glass at The Finishing Touch, a Chestertown custom frame and print boutique, for added environmental efficiency and savings;

- The installation of over 1,300 solar panels on the roof of the Frederick Indoor Sports Center to offset 100% of the property's electricity consumption.

This legislation will simply enable counties and municipalities to expand this already extremely effective program to environmental remediation and resilience projects - large scale asset improvements that provide benefit for the lifetime of a property. With this slight expansion, Maryland can become a national leader in resilience and mitigation financing at no cost to the State or localities. **This is a simple bill with immediate benefit for communities around that state, and for that reason I respectfully request a favorable report for SB722.**

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester". The signature is written in a cursive, slightly slanted style.

Senator Katie Fry Hester  
Howard and Carroll Counties