



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

HB 101- CONDOMINIUMS- COMMON ELEMENTS-CLEAN ENERGY EQUIPMENT

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN

JANUARY 26, 2023

Chair Barve, Vice Chair Stein, and Members of the Environment and Transportation Committee,

Due to the ongoing climate emergency, it is vital to deploy as much clean energy as possible as soon as possible. As reiterated by the International Panel on Climate Change, we are racing towards the 2030 deadline for our global clean energy transition and deep decarbonization in order to prevent the worst impacts of a changing climate. Within the bounds of Maryland, the MGA has the unique position of being a governing body that can facilitate this rapid deployment of all forms of clean energy through sound legislation. This bill supports increasing Maryland's share of solar energy.

Currently, The Maryland Condominium Act (MCA) sets a high threshold for leasing clean energy equipment, such as solar panels, to be placed in common areas controlled by the condominium association. MCA's Section 11-125 requires extensive notifications to mortgage holders. Before entering into leases, two-thirds of owners and all mortgage holders must grant approval. The current law also does not clearly define "utility" to include clean energy equipment- another barrier for solar adoption by condominium organizations.

This bill revises the MCA by modifying language related to the common elements controlled by the condominium association. The bill makes three adjustments:

- facilitates leasing clean energy equipment by lowering the threshold of owner approval to 51%,
- allows the option for approval by a condominium's Board of Directors (after meeting certain conditions of the MCA),
- and
- removes the requirements for mortgage holders to approve the lease of clean energy equipment.

This will be a timely change to the MCA because Congress, in the IRA, updated federal policy to allow condominium associations to receive federal tax credits through direct payment.

Increasing the share of renewable energy based electricity has economic, environmental, fuel diversity, and security benefits.<sup>1</sup> Leasing equipment, such as solar panels, allows condominium associations to access clean energy without a large upfront cost. This small change will facilitate an easier process for condominium associations and promote wider adoption of solar energy in our state.

I respectfully request a favorable report on HB 101.

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<sup>1</sup> Maryland Public Service Commission. (n.d.). *Renewable Energy*.  
<https://www.psc.state.md.us/electricity/renewable-energy/>