



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 216- CONDOMINIUMS- COMMON ELEMENTS-CLEAN ENERGY EQUIPMENT

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN

JANUARY 30, 2024

Chair Korman, Vice Chair Boyce, 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. This bill supports increasing Maryland's share of solar energy and removes impediments for wider adoption of solar energy.

Currently, The Maryland Condominium Act (MCA) sets a high threshold for leasing clean energy equipment, such as solar panels. MCA's Section 11-125 requires extensive notifications to mortgage holders and the requirement for entering into leases is for two-thirds of owners and all mortgage holders to grant approval. Considering leases are the most frequent and lowest cost form of solar adoption, these requirements are a significant barrier for condo communities.

This bill revises the MCA by modifying language related to the common elements controlled by the condominium association specifically related to clean energy equipment namely solar energy equipment, electric vehicle charging equipment, and energy storage systems. 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 possibility of mortgage holders to block 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 for these types of clean energy equipment upgrades.

Increasing the deployment of distributed clean energy systems has economic, environmental, fuel diversity, and security benefits.¹ Leasing equipment, such as solar panels, allows condominium associations to access clean energy without a large upfront cost. These changes will create more options for condominium associations and promote wider adoption and access to clean energy infrastructure in our state.

I respectfully request a favorable report on HB 216.

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