

HOUSE BILL 377

Q7

(8lr0238)

ENROLLED BILL

—*Economic Matters and Ways and Means / Budget and Taxation and Finance*—

Introduced by **The Speaker (By Request - Administration) and Delegates Doory, Rudolph, Hixson, Barve, Hecht, Howard, Cardin, Ali, Aumann, Bartlett, Bobo, Bohanan, Bronrott, Carr, G. Clagett, Dumais, Eckardt, Elmore, Frick, George, Haddaway, Haynes, Hucker, Ivey, James, Jones, Krebs, Lee, Love, Manno, Mathias, McHale, McKee, Mizeur, Montgomery, Morhaim, Murphy, Pena-Melnyk, Ramirez, Rice, Rosenberg, Ross, Shewell, Sophocleus, Stein, Tarrant, and F. Turner**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Solar and Geothermal Tax Incentive and Grant Program**

3 FOR the purpose of altering the grant amounts awarded under the Solar Energy
4 Grant Program and the Geothermal Heat Pump Grant Program in the
5 Maryland Energy Administration; authorizing the Administration to adjust the
6 grant amounts under the programs under certain circumstances; exempting
7 from the sales and use tax a sale of certain geothermal equipment and solar
8 energy equipment; exempting from the State and local property tax certain
9 ~~geothermal property and~~ solar energy property; requiring that certain

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.

Italics indicate opposite chamber / conference committee amendments.



1 geothermal property be assessed at no more than a certain value; defining
 2 certain terms; repealing a certain State property tax exemption; providing for
 3 the application of certain provisions of this Act; and generally relating to State
 4 and local solar and geothermal energy incentives.

5 BY repealing and reenacting, with amendments,
 6 Article – State Government
 7 Section 9–2007 and 9–2008
 8 Annotated Code of Maryland
 9 (2004 Replacement Volume and 2007 Supplement)

10 BY adding to
 11 Article – Tax – General
 12 Section 11–230
 13 Annotated Code of Maryland
 14 (2004 Replacement Volume and 2007 Supplement)

15 BY adding to
 16 Article – Tax – Property
 17 Section 7–242
 18 Annotated Code of Maryland
 19 (2007 Replacement Volume)

20 BY repealing
 21 Article – Tax – Property
 22 Section 7–308
 23 Annotated Code of Maryland
 24 (2007 Replacement Volume)

25 BY repealing and reenacting, with amendments,
 26 Article – Tax – Property
 27 Section 8–240
 28 Annotated Code of Maryland
 29 (2007 Replacement Volume)

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

32 **Article – State Government**

33 9–2007.

34 (a) (1) In this section the following words have the meanings indicated.

35 (2) **“INSTALLED ELECTRICITY GENERATION CAPACITY” MEANS**
 36 **THE MAXIMUM DIRECT CURRENT POWER OUTPUT IN WATTS OF THE ARRAY OF**
 37 **PHOTOVOLTAIC MODULES RATED UNDER STANDARD TEST CONDITION.**

1 (e) A grant awarded under the Program may not exceed:

2 (1) for photovoltaic property ~~installed on residential property~~, the
 3 lesser of [\$3,000 or 20% of the total installed cost of the photovoltaic property] **\$2,500**
 4 **PER KILOWATT OF INSTALLED ELECTRICITY GENERATION CAPACITY OR**
 5 **\$10,000; AND**

6 (2) ~~for photovoltaic property installed on nonresidential property, the~~
 7 ~~lesser of \$5,000 or 20% of the total installed cost of the photovoltaic property; and~~

8 ~~(3)~~ for solar water heating property, the lesser of [\$2,000 or 20%]
 9 **\$3,000 OR 30%** of the total installed cost of the solar water heating property.

10 (F) **SUBJECT TO THE LIMITATIONS IN SUBSECTION (E) OF THIS**
 11 **SECTION, THE ADMINISTRATION MAY ADJUST THE GRANT AMOUNTS UNDER THE**
 12 **PROGRAM TO REFLECT MARKET CONDITIONS AND THE PREVAILING PRICES OF**
 13 **PHOTOVOLTAIC PROPERTY AND SOLAR WATER HEATING PROPERTY.**

14 9–2008.

15 (a) (1) In this section the following words have the meanings indicated.

16 (2) “Geothermal heat pump” means a heating and cooling device that
 17 is installed using ground loop technology.

18 (3) “Program” means the Geothermal Heat Pump Grant Program.

19 (4) **“TON” MEANS 1 STANDARD TON OF REFRIGERATION EQUAL**
 20 **TO 12,000 BRITISH THERMAL UNITS OF HEAT REMOVAL PER HOUR.**

21 (b) There is a Geothermal Heat Pump Grant Program in the Administration.

22 (c) The purpose of the Program is to provide grants to individuals for a
 23 portion of the cost of acquiring and installing a geothermal heat pump.

24 (d) The Administration shall:

25 (1) administer the Program;

26 (2) establish application procedures for the Program; and

27 (3) award grants from the Program.

28 (e) A grant awarded under the Program may not exceed [\$1,000] **THE**
 29 **LESSER OF:**

1 ~~(3)~~ “~~SOLAR~~ SOLAR ENERGY PROPERTY” MEANS EQUIPMENT THAT
2 IS INSTALLED TO USE SOLAR ENERGY TO ~~HEAT OR COOL A STRUCTURE,~~
3 GENERATE ELECTRICITY TO BE USED IN ~~THE~~ A STRUCTURE, OR PROVIDE HOT
4 WATER FOR USE IN ~~THE~~ A STRUCTURE.

5 (B) ~~GEOHERMAL PROPERTY OR~~ EXCEPT AS PROVIDED IN § 8-240 OF
6 THIS ARTICLE, SOLAR ENERGY PROPERTY IS NOT SUBJECT TO REAL PROPERTY
7 TAX.

8 [7-308.

9 (a) In this section, “dwelling” has the meaning stated in § 9-105 of this
10 article.

11 (b) Real property is not subject to the State property tax if the property is a
12 solar energy device installed to heat or cool a dwelling, generate electricity to be used
13 in the dwelling, or provide hot water for use in the dwelling.]

14 8-240.

15 (a) If no conventional heating and cooling system exists in a building, a solar
16 energy OR GEOHERMAL heating and cooling system shall be assessed to the owner
17 of the real property on which it is located at not more than the value of a conventional
18 system.

19 (b) If a solar energy OR GEOHERMAL heating and cooling system is
20 installed in addition to a conventional system in a building, the combined system may
21 be assessed to the owner of the real property on which it is located at not more than
22 the value of the conventional system.

23 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
24 be applicable to all taxable years beginning after June 30, 2008.

25 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2008.