

Bill No. 33-07
Concerning: Renewable Energy
Revised: 11/19/07 Draft No. 8
Introduced: November 20, 2007
Expires: May 20, 2009
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Berliner, Ervin, Council President Praisner, and Councilmembers Elrich,
Floreen, Trachtenberg, and Leventhal

AN ACT to:

- (1) require the Director of the Department of Environmental Protection to develop a Renewable Energy Action Plan after evaluating options for increasing the use of renewable energy in and by the County, including the feasibility of creating a Sustainable Energy Utility;
- (2) prohibit enforcement of certain deed restrictions, covenants, rules, or regulations relating to renewable energy devices;
- (3) create a property tax credit for the installation of certain renewable energy devices; and
- (4) generally amend the law relating to energy and property tax credits.

By adding

Montgomery County Code
Chapter 18A, Energy Policy
Section 18A-12

Chapter 40, Real Property
Section 40-3A

Chapter 52, Taxation
Section 52-18Q

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 18A-12, Section 40-3A, and Section 52-18Q are added as**
 2 **follows:**

3 **18A-12. Renewable Energy Action Plan.**

4 (a) Definitions. In this Section, the following words have the meanings
 5 indicated:

6 “Department” means the Department of Environmental Protection.

7 “Director” means the Director of the Department or the Director’s
 8 designee.

9 “Renewable energy” means the following energy sources or technology:

10 (1) Solar;

11 (2) Wind;

12 (3) Geothermal;

13 (4) Tidal;

14 (5) Methane from anaerobic decomposition of organic materials in a
 15 landfill or wastewater treatment plant; and

16 (6) Any other energy source or technology which the Director finds
 17 is derived from natural processes that do not involve the
 18 consumption of exhaustible resources.

19 “Sustainable Energy Utility” means a non-profit organization which:

20 (1) Develops end-user markets for products and services relating to
 21 energy efficiency and renewable energy; and

22 (2) Serves as a point-of-contact for end-users to obtain information
 23 about products and services relating to energy efficiency and
 24 renewable energy.

25 (b) Study. The Director must prepare a Renewable Energy Action Plan after
 26 evaluating the costs and benefits of options to increase renewable

27 energy use in and by the County, including the feasibility of creating a
 28 Sustainable Energy Utility.

29 (c) Initial report. The Director must submit a report to the County
 30 Executive and County Council by July 1, 2008 that identifies the
 31 components of the Renewable Energy Action Plan.

32 (d) Energy work program. The County Executive's energy work program,
 33 required by Section 18A-2, must identify any action necessary to
 34 implement the Renewable Energy Action Plan.

35 **40-3A. Renewable energy devices.**

36 (a) Definitions. In this Section, the following words have the meanings
 37 indicated:

38 "Renewable energy" means the following energy sources or technology:

39 (1) Solar;

40 (2) Wind; and

41 (3) Geothermal.

42 "Renewable energy device" means a device that:

43 (1) Creates, converts, or actively uses renewable energy; and

44 (2) Meets safety and performance standards set by a nationally
 45 recognized testing laboratory for that kind of device.

46 "Owner of any building" includes a unit owner in a condominium, a lot
 47 owner in a homeowner's association, and a shareholder in a cooperative
 48 housing corporation.

49 (b) Prohibition. A person must not create or enforce any deed restriction,
 50 covenant, rule, or regulation, or take any other action, which would
 51 prohibit the owner of any building from installing a renewable energy
 52 device.

53 (c) Applicability. This Section applies to all deed restrictions, covenants,
 54 rules, and regulations adopted before and after this Section became law.

55 **52-18Q. Property tax credit – renewable energy.**

56 (a) Definitions. In this Section, the following words have the meanings
 57 indicated:

58 “Director” means the Director of the Department of Finance or the
 59 Director’s designee.

60 “Eligible cost” means the cost of buying or installing a solar or
 61 geothermal energy device, including any part, component, or accessory
 62 necessary to operate the device, that is installed within 12 months before
 63 a property owner submits an application to the Department of Finance
 64 under subsection (f).

65 “Geothermal energy device” means a device that:

66 (1) Uses geothermal energy to heat or cool a structure, to provide hot
 67 water for use in the structure, or to generate electricity to be used
 68 in the structure; and

69 (2) Meets safety and performance standards set by a nationally
 70 recognized testing laboratory for that kind of device.

71 “Solar energy device” means a device that:

72 (1) Uses solar energy to heat or cool a structure, to provide hot water
 73 for use in the structure, or to generate electricity to be used in the
 74 structure; and

75 (2) Meets safety and performance standards set by a nationally
 76 recognized testing laboratory for that kind of device.

77 “Tax-Property Article” means the Tax-Property Article of the Maryland
 78 Code.

- 79 **(b)** Credit. As authorized by §9-203 of the Tax-Property Article, an owner
80 of residential property that uses a solar or geothermal energy device
81 may receive a credit against the County property tax.
- 82 **(c)** Amount of Credit. The credit allowed under this Section is the lesser
83 of:
- 84 **(1)** 50% of the eligible costs; or
85 **(2)** \$5,000 for a heating system or \$1,500 for a hot water supply
86 system.
- 87 **(d)** Annual aggregate limit.
- 88 **(1)** During any fiscal year, the total credits granted under this Section
89 must not exceed \$250,000.
- 90 **(2)** Credits must be granted in the order in which the Department of
91 Finance receives complete applications under subsection (f).
- 92 **(3)** A complete application that, if granted, would cause the limit set
93 in paragraph (1) of this subsection to be exceeded, must be
94 granted in the next fiscal year or years based on the order in
95 which the Department of Finance received the application.
- 96 **(e)** Carry Over.
- 97 **(1)** The amount of a credit in any tax year must not exceed the
98 amount of the County property tax imposed on the property in
99 that tax year.
- 100 **(2)** Any amount of a credit not taken in the tax year in which an
101 application is approved may be carried over for an additional two
102 years.
- 103 **(3)** When a credit is carried over under this subsection, the full
104 amount of the credit must be counted towards the annual

105 aggregate limit established in subsection (d) in the year in which
106 an application is approved.

107 (f) Application.

108 (1) A property owner must submit an application to the Director on
109 or before the date that the Director sets.

110 (2) An application must:

111 (A) Be on the form that the Director requires;

112 (B) Demonstrate that the taxpayer is entitled to the credit; and

113 (C) Include a certification from the Department of Permitting
114 Services, indicating that the device for which the credit is
115 sought:

116 (i) Is a solar or geothermal energy device; and

117 (ii) Has been properly installed.

118 (g) Applicability. The credit authorized by this Section applies to any tax
119 year beginning after June 30, 2008

120 *Approved:*

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Marilyn J. Praisner, President, County Council Date

124 *Approved:*

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Isaih Leggett, County Executive Date

126 *This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council Date

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