

<b>FROM</b>	NAME & TITLE	David E. Scott, Acting Director	CITY of <b>BALTIMORE</b> <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building		
	SUBJECT	<b>CITY COUNCIL BILL 08-0058</b>		

DATE: April 23, 2008

**TO**

The Honorable President and Members  
of the Baltimore City Council  
c/o Karen Randle  
Room 400 - City Hall

I am herein reporting on City Council Bill 08-0058 introduced by Council Members Kraft, Cole, Henry, Branch, Young, Curran, D'Adamo, Clarke, and Conaway.

The purpose of the Bill is to grant a property tax credit for buildings for which certain energy devices have been installed; define certain terms; impose certain limitations; and generally relating to tax credits for qualifying energy devices.

The Annotated Code of Maryland, under §9-203, of the State Tax – Property Article, allows local jurisdictions to grant, by law, certain local property tax credits imposed on a structure. The tax credits are to be based on the costs to install geothermal, solar, or other qualifying energy devices for heating or cooling of a taxed structure. The property tax credit cannot exceed three years in duration. City Council Bill 08-0058, if approved, would establish a Baltimore City tax credit for qualified energy devices placed into service on or after January 1, 2008. The qualified costs would include the purchase, assembly, and installation of the devices, including the purchase of any materials needed for their installation and connection. Solar panels for generating electricity, solar water heating equipment, and geothermal energy devices would be eligible for the tax credits. Any energy device used in whole or in part to heat a swimming pool, hot tub, or similar accessory, would not be eligible for a tax credit. The eligible tax credit would be applied over five tax years, with one fifth of the tax credit applied each year. A one third maximum credit (up to \$25,000 for single family dwellings and up to \$150,000 for multi-family, commercial, or industrial buildings) could be granted for each qualified energy device. The Director of Finance would be able to adopt rules and regulations to implement the tax credit, settle disputed claims, and delegate the powers, duties or functions necessary to administer the tax credit to the City Collector or other employee of the City. No tax credit could be granted for an energy device placed into service on or after January 1, 2012.



*Comments*

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Promoting the use of alternative and renewable energy sources through property tax credits can be an effective way to encourage property owners to invest in these energy generating devices. Using solar and geothermal energy to heat or cool buildings (renewable energy sources) would have a positive impact on efforts to reduce emissions of greenhouse gases, a goal of the U.S. Conference of Mayors' 2005 resolution endorsing the U.S. Mayors Climate Protection Agreement.

This Department continues to seek out new opportunities for applying energy savings and renewable energy initiatives to City-owned buildings, vehicles, and equipment. For example, the City has expanded its use of solar-powered trash compactors to reduce the number of truck trips to collect the garbage, incurring a fuel savings and reducing vehicle emissions.

The Department of Public Works supports the intent of City Council Bill 08-0058, but recommends that the Law Department be consulted to determine if State law prohibits applying an energy tax credit over a five year, rather than a three year period; and the Department of Finance to determine the potential impact of the proposed tax credits on the City's budget.



DAVID E. SCOTT  
ACTING DIRECTOR

DES/MMC:pat

*Comments*