

**CITY OF BALTIMORE
COUNCIL BILL 21-0115
(First Reader)**

Introduced by: Councilmembers Bullock, Conway, Dorsey, Ramos, Middleton, Burnett, Porter, Cohen

Introduced and read first time: August 16, 2021

Assigned to: Ways and Means Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Commission for Historical and Architectural Preservation, Department of Housing and Community Development, Department of Finance, Department of Planning, Office of Sustainability

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Tax Credit for Energy Conservation Devices**

3 FOR the purpose of granting a tax credit against the City personal property tax imposed on a
4 dwelling that uses a solar energy device or geothermal energy device; imposing certain
5 qualifications for credit eligibility; providing for the amount and administration of the credit;
6 allowing for carry-over of the credit; requiring an annual report regarding the credit; and
7 defining certain terms.

8 BY adding

9 Article 28 - Taxes
10 Section 10-31
11 Baltimore City Code
12 (Edition 2000)

13 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
14 Laws of Baltimore City read as follows:

15 **Baltimore City Code**

16 **Article 28. Taxes**

17 **Subtitle 10. Credits**

18 **§ 10-31. ENERGY CONSERVATION DEVICES (PERSONAL PROPERTY TAX CREDIT)**

19 (A) *DEFINITIONS.*

20 (1) *IN GENERAL.*

21 IN THIS SECTION, THE FOLLOWING TERMS HAVE THE MEANINGS INDICATED.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

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1 (2) *ELIGIBLE COSTS.*

2 “ELIGIBLE COSTS” MEANS REASONABLE COSTS INCURRED:

- 3 (I) WITHIN THE 12 MONTHS BEFORE THE INITIAL APPLICATION FOR THE CREDIT;
- 4 (II) FOR A SOLAR ENERGY DEVICE OR GEOTHERMAL ENERGY DEVICE, INCLUDING
5 ANY PART, COMPONENT, OR ACCESSORY EQUIPMENT NECESSARY TO OPERATE
6 THE DEVICE; AND
- 7 (III) ASSOCIATED WITH INSTALLING THE DEVICE.

8 (3) *GEOTHERMAL ENERGY DEVICE.*

9 “GEOTHERMAL ENERGY DEVICE” MEANS AN ENERGY CONSERVING DEVICE THAT:

- 10 (I) USES GEOTHERMAL ENERGY TO HEAT OR COOL A STRUCTURE OR TO PROVIDE
11 HOT WATER FOR USE IN THE STRUCTURE; AND
- 12 (II) MEETS NATIONAL SAFETY AND PERFORMANCE STANDARDS SET BY A
13 NATIONALLY RECOGNIZED TESTING LABORATORY FOR THAT TYPE OF DEVICE.

14 (4) *SOLAR ENERGY DEVICE.*

15 “SOLAR ENERGY DEVICE” MEANS AN ENERGY CONSERVING DEVICE THAT:

- 16 (I) USES SOLAR ENERGY TO HEAT OR COOL A STRUCTURE, TO GENERATE
17 ELECTRICITY TO BE USED IN THE STRUCTURE, OR TO PROVIDE HOT WATER FOR
18 USE IN THE STRUCTURE; AND
- 19 (II) MEETS NATIONAL SAFETY AND PERFORMANCE STANDARDS SET BY A
20 NATIONALLY RECOGNIZED TESTING LABORATORY FOR THAT TYPE OF DEVICE.

21 (B) *CREDIT GRANTED.*

22 IN ACCORDANCE WITH STATE TAX-PROPERTY ARTICLE § 9-203, A TAX CREDIT IS
23 GRANTED AGAINST THE CITY PERSONAL PROPERTY TAX IMPOSED ON A DWELLING THAT
24 USES A SOLAR ENERGY DEVICE OR GEOTHERMAL ENERGY DEVICE.

25 (C) *QUALIFICATIONS.*

26 THE OWNER OF A DWELLING THAT USES A SOLAR ENERGY DEVICE OR GEOTHERMAL
27 ENERGY DEVICE MAY QUALIFY FOR THE TAX CREDIT AUTHORIZED BY THIS SECTION BY:

- 28 (1) FILING A STATE INCOME TAX RETURN AS A RESIDENT OF BALTIMORE CITY FOR
29 EACH TAXABLE YEAR FOR WHICH THE CREDIT IS SOUGHT;

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1 (2) FILING AN APPLICATION FOR THE CREDIT WITH THE DIRECTOR OF THE
2 DEPARTMENT OF FINANCE AT LEAST 90 DAYS BEFORE THE FIRST TAX YEAR FOR
3 WHICH THE CREDIT IS SOUGHT; AND

4 (3) SATISFYING ALL OTHER CONDITIONS IMPOSED BY THE REGULATIONS OF THE
5 DIRECTOR OF THE DEPARTMENT OF FINANCE.

6 (D) *AMOUNT OF CREDIT.*

7 IN ANY TAXABLE YEAR, THE AMOUNT OF THE CREDIT GRANTED TO A DWELLING UNDER
8 THIS SECTION IS THE LESSER OF:

9 (1) 50% OF THE ELIGIBLE COSTS; OR

10 (2) \$5,000 FOR A HEATING SYSTEM OR \$1,500 FOR A HOT WATER SUPPLY SYSTEM.

11 (E) *CREDIT NOT TO EXCEED PROPERTY TAX.*

12 THE AMOUNT OF A CREDIT APPLIED IN A TAX YEAR MAY NOT EXCEED THE AMOUNT OF
13 CITY PERSONAL PROPERTY TAX IMPOSED ON THE DWELLING IN THAT TAX YEAR.

14 (F) *CREDIT CARRY-OVER.*

15 ANY AMOUNT OF THE CREDIT NOT TAKEN IN THE TAX YEAR IN WHICH THE APPLICATION IS
16 GRANTED MAY BE CARRIED OVER FOR AN ADDITIONAL 2 YEARS.

17 (G) *APPLICATION.*

18 THE APPLICATION MUST BE IN THE FORM AND CONTAIN THE INFORMATION THAT THE
19 DIRECTOR OF THE DEPARTMENT OF FINANCE REQUIRES.

20 (H) *ADMINISTRATION.*

21 THE DIRECTOR OF THE DEPARTMENT OF FINANCE OR THE DIRECTOR'S DESIGNEE:

22 (1) SHALL, SUBJECT TO TITLE 4 {"ADMINISTRATIVE PROCEDURE ACT –
23 REGULATIONS"} OF THE CITY GENERAL PROVISIONS ARTICLE, ADOPT RULES AND
24 REGULATIONS TO CARRY OUT THIS SECTION, INCLUDING PROCEDURES, FORMS, AND
25 DOCUMENTATION REQUIRED TO APPLY FOR THE CREDIT AUTHORIZED BY THIS
26 SECTION; AND

27 (2) MAY SETTLE DISPUTED CLAIMS ARISING IN CONNECTION WITH THE CREDIT
28 AUTHORIZED BY THIS SECTION.

29 (I) *REPORTING CREDITS.*

30 THE ESTIMATED AMOUNT OF ALL TAX CREDITS RECEIVED BY OWNERS UNDER THIS
31 SECTION IN ANY FISCAL YEAR SHALL BE:

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1 (1) REPORTED BY THE DIRECTOR OF THE DEPARTMENT OF FINANCE AS A “TAX
2 EXPENDITURE” FOR THAT FISCAL YEAR; AND

3 (2) INCLUDED IN THE PUBLICATION OF THE CITY’S BUDGET FOR ANY SUBSEQUENT
4 FISCAL YEAR WITH THE ESTIMATED OR ACTUAL CITY PROPERTY TAX REVENUE FOR
5 THE APPLICABLE FISCAL YEAR.

6 (J) *ANNUAL REPORT.*

7 THE DIRECTOR OF THE DEPARTMENT OF FINANCE OR THE DIRECTOR’S DESIGNEE SHALL
8 REPORT ANNUALLY TO THE BOARD OF ESTIMATES AND TO THE MAYOR AND CITY
9 COUNCIL ANY RESULTS AND FINDINGS OF ANY ANALYSIS OF THE TAX CREDIT, INCLUDING
10 THE STEPS TAKEN AND PROPOSED TO BE TAKEN TO PROMOTE AND FURTHER THE USE OF
11 THE TAX CREDIT PROGRAM.

12 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance
13 are not law and may not be considered to have been enacted as a part of this or any prior
14 Ordinance.

15 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th day
16 after the date it is enacted.