



MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Alice Kennedy, Housing Commissioner



Date: March 4, 2022

Re: City Council Bill 22-0193 Real Property Tax Credit for Energy Conservation Devices

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 22-0193 for the purpose of granting a tax credit against the City real property tax imposed on a dwelling that uses a solar energy device or geothermal energy device; imposing certain qualifications for credit eligibility; providing for the amount and the administration of the credit; creating an annual limit on the amount of credits granted; requiring an annual report regarding the credit; and defining certain terms.

If enacted, City Council Bill 22-0193 would add a new Subtitle to Article 28 Taxes of the Baltimore City Code that would allow the Department of Finance to grant a real property tax credit on a dwelling to which a solar energy device or geothermal energy device is installed and in use.

Solar and geothermal energy fall within the Building, Fire and related Codes of Baltimore City (BFRC) (2020 Edition) which includes the International Energy Conservation Code (IEC)(2018 Edition) and the International Green Construction Code (IGC)(2018 Edition) among other codes that make up the code family. The IEC applies to all matters governing the design and construction of buildings for energy efficiency and the IGC applies to construction requirements intended to reduce the negative impacts and increase the positive impacts of the built environment on the natural environment and building occupants. DHCD administers and enforces both of these codes which require that all repairs, additions, or alterations be done in accordance with the BFRC and the provisions within the IEC and IGC for solar energy and geothermal energy devices.

The adoption of City Council Bill 22-0193 would have no impact on the agencies administration of the code and may incentivize property owners to install such devices in new construction or renovation projects. DHCD supports the use of solar energy and geothermal energy devices which may lower energy costs for residents and benefit the environment. Increased use of these energy conservation devices may promote green construction jobs and help create healthy and sustainable neighborhoods throughout the city.

DHCD **defers** to the Department of Finance on the passage of City Council Bill 22-0193.

AK/sm

cc: Ms. Themelis, Nina, *Mayor's Office of Government Relations*