

CITY OF BALTIMORE
ORDINANCE **23-228**
Council Bill 23-0368

Introduced by: Councilmember Bullock, The City Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: March 27, 2023
Assigned to: Ways and Means Committee

Committee Report: Favorable
Council action: Adopted
Read second time: May 15, 2023

AN ORDINANCE CONCERNING

1 **Real Property Tax Credit for Energy Conservation Devices**

2 FOR the purpose of amending the energy conservation devices real property tax credit; and
3 providing for a special effective date.

4 BY repealing and re-ordaining, with amendments

5 Article 28 - Taxes

6 Section 10-31

7 Baltimore City Code

8 (Edition 2000)

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

11 **Baltimore City Code**

12 **Article 28. Taxes**

13 **Subtitle 10. Credits**

14 **§ 10-31. Energy Conservation Devices (Real Property Tax Credit)**

15 (a) *Definitions.*

16 (1) *In general.*

17 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.
Underlining indicates matter added to the bill by amendment.
~~Strike out~~ indicates matter stricken from the bill by
amendment or deleted from existing law by amendment.

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1 (2) *DWELLING.*

2 (I) *IN GENERAL.*

3 "DWELLING" MEANS A HOUSE THAT IS:

- 4 (A) USED AS THE PRINCIPAL RESIDENCE OF THE HOMEOWNER; AND
5 (B) ACTUALLY OCCUPIED OR EXPECTED TO BE OCCUPIED BY THE
6 HOMEOWNER FOR MORE THAN 6 MONTHS OF A 12-MONTH PERIOD
7 BEGINNING WITH THE DATE OF FINALITY FOR THE TAXABLE YEAR
8 FOR WHICH THE PROPERTY TAX CREDIT UNDER THIS SECTION IS
9 SOUGHT.

10 (II) *INCLUSIONS.*

11 "DWELLING" INCLUDES:

- 12 (A) A CONDOMINIUM UNIT THAT IS OCCUPIED BY AN INDIVIDUAL WHO
13 HAS LEGAL INTEREST IN THE CONDOMINIUM;
14 (B) AN APARTMENT IN A COOPERATIVE APARTMENT CORPORATION
15 THAT IS OCCUPIED BY AN INDIVIDUAL WHO HAS LEGAL INTEREST IN
16 THE APARTMENT; AND
17 (C) A PART OF REAL PROPERTY USED OTHER THAN PRIMARILY FOR
18 RESIDENTIAL PURPOSES, IF THE REAL PROPERTY IS USED AS A
19 PRINCIPAL RESIDENCE BY AN INDIVIDUAL WHO HAS A LEGAL
20 INTEREST IN THE REAL PROPERTY.

21 (II) *EXCLUSIONS.*

22 "DWELLING" DOES NOT INCLUDE THE LOT OR CURTILAGE ON WHICH THE
23 HOUSE, CONDOMINIUM, APARTMENT, OR OTHER IMPROVEMENT IS ERECTED.

24 (3) [(2)] *Eligible costs.*

25 "Eligible costs" means reasonable costs incurred:

- 26 (i) within the 12 months before the initial application for the credit;
27 (ii) for the purchase or lease of a solar energy device or geothermal energy device,
28 including any part, component, or accessory equipment necessary to operate
29 the device; and
30 (iii) associated with installation of the solar energy device or the geothermal
31 energy device.

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1 (4) [(3)] *Geothermal energy device.*

2 "Geothermal energy device" means an energy conserving device that:

3 (i) uses geothermal energy to heat or cool a structure or to provide hot water for
4 use in the structure; and

5 (ii) meets national safety and performance standards set by a nationally recognized
6 testing laboratory for that type of device.

7 (5) *HOUSE.*

8 "HOUSE" MEANS A STRUCTURE THAT HAS BEEN ADAPTED FOR OVERNIGHT
9 ACCOMMODATION OF AN INDIVIDUAL.

10 (6) *PRINCIPAL RESIDENCE.*

11 "PRINCIPAL RESIDENCE" MEANS THE ONE DWELLING WHERE AN INDIVIDUAL
12 REGULARLY RESIDES AND IS THE LOCATION DESIGNATED BY THE INDIVIDUAL FOR THE
13 LEGAL PURPOSE OF VOTING, OBTAINING A DRIVER'S LICENSE, AND FILING INCOME TAX
14 RETURNS.

15 (7) [(4)] *Solar energy device.*

16 "Solar energy device" means an energy conserving device that:

17 (i) uses solar energy to heat or cool a structure, to generate electricity to be used
18 in the structure, or to provide hot water for use in the structure; and

19 (ii) meets national safety and performance standards set by a nationally recognized
20 testing laboratory for that type of device.

21 (b) *Credit granted.*

22 (1) *IN GENERAL.*

23 In accordance with State Tax-Property Article § 9-203, a tax credit is granted against
24 the City portion of real property tax on a dwelling to which a solar energy device or
25 geothermal energy device is installed and in use.

26 (2) *LIMITATION.*

27 THE CITY MAY NOT GRANT MORE THAN 1 TAX CREDIT FOR EACH DWELLING.

28 (c) *Qualifications.*

29 The owner of a dwelling that uses a solar energy device or geothermal energy device may
30 qualify for the tax credit authorized by this section by:

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1 (1) filing a state income tax return as a resident of Baltimore City for each taxable
2 year for which the credit is sought;

3 (2) filing an application for the credit with the Director of the Department of Finance;
4 and

5 (3) satisfying all other conditions imposed by the regulations of the Director of the
6 Department of Finance.

7 (d) *Amount of credit.*

8 The credit against the City portion of real property tax on a dwelling under this section is
9 the lesser of:

10 (1) 50% of the eligible costs UP TO A MAXIMUM OF \$5,000; or

11 [(2) \$5,000 for a heating system or \$1,500 for a hot water supply system.]

12 (2) 50% OF THE ELIGIBLE COSTS UP TO A MAXIMUM OF \$1,500 FOR EITHER A SOLAR
13 ENERGY DEVICE OR GEOTHERMAL ENERGY DEVICE INSTALLED EXCLUSIVELY TO
14 PROVIDE HOT WATER FOR USE IN THE DWELLING.

15 (e) *Credit not to exceed property tax.*

16 The amount of a credit applied in a tax year may not exceed the amount of City real
17 property tax imposed on the dwelling in that tax year.

18 (F) *TAX CREDIT PERIOD.*

19 THE TAX CREDIT GRANTED UNDER THIS SECTION APPLIES IN THE TAXABLE YEAR
20 IMMEDIATELY FOLLOWING THE SUBMISSION OF AN APPLICATION.

21 (G) *TRANSFER OF CREDIT.*

22 THE TAX CREDIT GRANTED UNDER THIS SECTION IS TRANSFERABLE TO A SUBSEQUENT
23 OWNER IF:

24 (1) THE TRANSFER IS WITHIN THE 1-YEAR CREDIT ELIGIBILITY PERIOD; AND

25 (2) THE SOLAR ENERGY DEVICE OR GEOTHERMAL ENERGY DEVICE REMAINS IN USE IN
26 THE DWELLING.

27 (H) [(f)] *Application.*

28 The application must be in the form and contain the information that the Director of the
29 Department of Finance requires.

30 (I) [(g)] *Administration.*

31 The Director of the Department of Finance or the Director's designee:

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1 (1) shall, subject to Title 4 {"Administrative Procedure Act – Regulations"} of the
2 City General Provisions Article, adopt rules and regulations to carry out this
3 section, including procedures, forms, and documentation required to apply for the
4 credit authorized by this section; and

5 (2) may settle disputed claims arising in connection with the credit authorized by this
6 section.

7 (J) [(h)] *Reporting credits.*

8 The estimated amount of all tax credits received by owners under this section in any fiscal
9 year shall be:

10 (1) reported by the Director of the Department of Finance as a "tax expenditure" for
11 that fiscal year; and

12 (2) included in the publication of the City's budget for any subsequent fiscal year with
13 the estimated or actual City property tax revenue for the applicable fiscal year.

14 (K) [(i)] *Annual report.*

15 The Director of the Department of Finance or the Director's designee must report
16 annually to the Board of Estimates and to the Mayor and City Council any results and
17 findings of any analysis of the tax credit, including the steps taken and proposed to be
18 taken to promote and further the use of the tax credit program.


19 (L) *TERMINATION OF TAX CREDIT.*

20 THE DEPARTMENT OF FINANCE MAY NOT ACCEPT APPLICATIONS FOR THE TAX CREDIT
21 GRANTED UNDER THIS SECTION AFTER JUNE 30, 2028.

22 **SECTION 2. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it is
23 enacted.

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Certified as duly passed this 15 day of May, 2023.



President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,

this 15 day of May, 2023.



Chief Clerk

Approved this 20 day of June, 2023.



Mayor, Baltimore City

Approved for Form and Legal Sufficiency
This 26th Day of May 2025.



Chief Solicitor