

**CITY OF BALTIMORE**  
**ORDINANCE \_\_\_\_\_**  
**Council Bill 22-0193**

---

Introduced by: Councilmember Bullock, Conway, Schleifer, Glover, Ramos, Burnett, Torrence,  
Cohen, McCray, Middleton, Dorsey

Introduced and read first time: January 24, 2022

Assigned to: Ways and Means Committee

---

Committee Report: Favorable, with amendments

Council action: Approved

Read second time: May 16, 2022

---

**AN ORDINANCE CONCERNING**

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

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.

BY adding

Article 28 - Taxes

Section 10-31

Baltimore City Code

(Edition 2000)

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

**Baltimore City Code**

**Article 28. Taxes**

**Subtitle 10. Credits**

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

(A) *DEFINITIONS.*

(1) *IN GENERAL.*

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.

**Council Bill 22-0193**

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 THE PURCHASE OR LEASE OF A SOLAR ENERGY DEVICE OR GEOTHERMAL  
5 ENERGY DEVICE, INCLUDING ANY PART, COMPONENT, OR ACCESSORY  
6 EQUIPMENT NECESSARY TO OPERATE THE DEVICE; AND
- 7 (III) ASSOCIATED WITH INSTALLATION OF THE SOLAR ENERGY DEVICE OR THE  
8 GEOTHERMAL ENERGY DEVICE.

9 (3) *GEOTHERMAL ENERGY DEVICE.*

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

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

15 (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  
18 ELECTRICITY TO BE USED IN THE STRUCTURE, OR TO PROVIDE HOT WATER FOR  
19 USE IN THE STRUCTURE; AND
- 20 (II) MEETS NATIONAL SAFETY AND PERFORMANCE STANDARDS SET BY A  
21 NATIONALLY RECOGNIZED TESTING LABORATORY FOR THAT TYPE OF DEVICE.

22 (B) *CREDIT GRANTED.*

23 IN ACCORDANCE WITH STATE TAX-PROPERTY ARTICLE § 9-203, A TAX CREDIT IS  
24 GRANTED AGAINST THE CITY PORTION OF REAL PROPERTY TAX ON A DWELLING TO WHICH  
25 A SOLAR ENERGY DEVICE OR GEOTHERMAL ENERGY DEVICE IS INSTALLED AND IN USE.

26 (C) *QUALIFICATIONS.*

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

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

**Council Bill 22-0193**

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 THE CREDIT AGAINST THE CITY PORTION OF REAL PROPERTY TAX ON 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 REAL PROPERTY TAX IMPOSED ON THE DWELLING IN THAT TAX YEAR.

14 ~~(F) ANNUAL LIMIT ON AMOUNT OF CREDITS GRANTED.~~

15 ~~(1) DURING A FISCAL YEAR, THE TOTAL OF ALL TAX CREDITS GRANTED UNDER THIS~~  
16 ~~SECTION MAY NOT EXCEED \$750,000.~~

17 ~~(2) CREDITS WILL BE GRANTED IN THE ORDER IN WHICH THE DIRECTOR OF THE~~  
18 ~~DEPARTMENT OF FINANCE RECEIVES THE COMPLETE APPLICATIONS UNDER~~  
19 ~~SUBSECTION (G) OF THIS SECTION.~~

20 ~~(3) A COMPLETE APPLICATION THAT, IF GRANTED, WOULD CAUSE THE LIMIT SET FORTH IN~~  
21 ~~PARAGRAPH (1) OF THIS SUBSECTION TO BE EXCEEDED, WILL BE GRANTED IN THE NEXT~~  
22 ~~FISCAL YEAR OR YEARS AND IN THE ORDER RECEIVED.~~

23 ~~(F)~~ ~~(G)~~ *APPLICATION.*

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

26 ~~(G)~~ ~~(H)~~ *ADMINISTRATION.*

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

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

**Council Bill 22-0193**

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

3 ~~(H)~~ ~~(+)~~ *REPORTING CREDITS.*

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

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

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

11 ~~(I)~~ ~~(+)~~ *ANNUAL REPORT.*

12 THE DIRECTOR OF THE DEPARTMENT OF FINANCE OR THE DIRECTOR’S DESIGNEE MUST  
13 REPORT ANNUALLY TO THE BOARD OF ESTIMATES AND TO THE MAYOR AND CITY  
14 COUNCIL ANY RESULTS AND FINDINGS OF ANY ANALYSIS OF THE TAX CREDIT, INCLUDING  
15 THE STEPS TAKEN AND PROPOSED TO BE TAKEN TO PROMOTE AND FURTHER THE USE OF  
16 THE TAX CREDIT PROGRAM.

17 **SECTION 2. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30<sup>th</sup> day  
18 after the date it is enacted.

**Council Bill 22-0193**

Certified as duly passed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Chief Clerk

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Mayor, Baltimore City