

**ENROLLED**

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

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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

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Committee Report: Favorable, with amendments

Council action: Approved

Read second time: May 16, 2022

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**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)**

**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.  
Underlined italics indicate matter added to the bill by amendment after printing for third reading.

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1 (A) *DEFINITIONS.*

2 (1) *IN GENERAL.*

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

4 (2) *ELIGIBLE COSTS.*

5 “ELIGIBLE COSTS” MEANS REASONABLE COSTS INCURRED:

6 (I) WITHIN THE 12 MONTHS BEFORE THE INITIAL APPLICATION FOR THE CREDIT;

7 (II) FOR THE PURCHASE OR LEASE OF A SOLAR ENERGY DEVICE OR GEOTHERMAL  
8 ENERGY DEVICE, INCLUDING ANY PART, COMPONENT, OR ACCESSORY  
9 EQUIPMENT NECESSARY TO OPERATE THE DEVICE; AND

10 (III) ASSOCIATED WITH INSTALLATION OF THE SOLAR ENERGY DEVICE OR THE  
11 GEOTHERMAL ENERGY DEVICE.

12 (3) *GEOTHERMAL ENERGY DEVICE.*

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

14 (I) USES GEOTHERMAL ENERGY TO HEAT OR COOL A STRUCTURE OR TO PROVIDE  
15 HOT WATER FOR USE IN THE STRUCTURE; AND

16 (II) MEETS NATIONAL SAFETY AND PERFORMANCE STANDARDS SET BY A  
17 NATIONALLY RECOGNIZED TESTING LABORATORY FOR THAT TYPE OF DEVICE.

18 (4) *SOLAR ENERGY DEVICE.*

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

20 (I) USES SOLAR ENERGY TO HEAT OR COOL A STRUCTURE, TO GENERATE  
21 ELECTRICITY TO BE USED IN THE STRUCTURE, OR TO PROVIDE HOT WATER FOR  
22 USE IN THE STRUCTURE; AND

23 (II) MEETS NATIONAL SAFETY AND PERFORMANCE STANDARDS SET BY A  
24 NATIONALLY RECOGNIZED TESTING LABORATORY FOR THAT TYPE OF DEVICE.

25 (B) *CREDIT GRANTED.*

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

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1 (C) *QUALIFICATIONS.*

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

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

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

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

11 (D) *AMOUNT OF CREDIT.*

12 THE CREDIT AGAINST THE CITY PORTION OF REAL PROPERTY TAX ON A DWELLING UNDER  
13 THIS SECTION IS THE LESSER OF:

14 (1) 50% OF THE ELIGIBLE COSTS; OR

15 (2) \$5,000 FOR A HEATING SYSTEM OR \$1,500 FOR A HOT WATER SUPPLY SYSTEM.

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

17 THE AMOUNT OF A CREDIT APPLIED IN A TAX YEAR MAY NOT EXCEED THE AMOUNT OF  
18 CITY REAL PROPERTY TAX IMPOSED ON THE DWELLING IN THAT TAX YEAR.

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

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

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

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

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

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

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

2                THE DIRECTOR OF THE DEPARTMENT OF FINANCE OR THE DIRECTOR’S DESIGNEE:

3                (1) SHALL, SUBJECT TO TITLE 4 {“ADMINISTRATIVE PROCEDURE ACT –  
4                REGULATIONS”} OF THE CITY GENERAL PROVISIONS ARTICLE, ADOPT RULES AND  
5                REGULATIONS TO CARRY OUT THIS SECTION, INCLUDING PROCEDURES, FORMS, AND  
6                DOCUMENTATION REQUIRED TO APPLY FOR THE CREDIT AUTHORIZED BY THIS  
7                SECTION; AND

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

10        (H) ~~(I)~~ *REPORTING CREDITS.*

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

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

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

18        (I) ~~(J)~~ *ANNUAL REPORT.*

19                THE DIRECTOR OF THE DEPARTMENT OF FINANCE OR THE DIRECTOR’S DESIGNEE MUST  
20                REPORT ANNUALLY TO THE BOARD OF ESTIMATES AND TO THE MAYOR AND CITY  
21                COUNCIL ANY RESULTS AND FINDINGS OF ANY ANALYSIS OF THE TAX CREDIT, INCLUDING  
22                THE STEPS TAKEN AND PROPOSED TO BE TAKEN TO PROMOTE AND FURTHER THE USE OF  
23                THE TAX CREDIT PROGRAM.

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

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Certified as duly passed this 27 day of June, 20 22



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President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,

this 27 day of June, 20 22



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Chief Clerk

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

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Mayor, Baltimore City