



Legislation Details (With Text)

**File #:** 23-0368      **Version:** 0      **Name:** Real Property Tax Credit for Energy Conservation Devices

**Type:** Ordinance      **Status:** Enacted

**File created:** 3/27/2023      **In control:** Baltimore City Council

**On agenda:**      **Final action:** 6/20/2023

**Enactment date:**      **Enactment #:** 23-228

**Title:** Real Property Tax Credit for Energy Conservation Devices  
For the purpose of amending the energy conservation devices real property tax credit; and providing for a special effective date.

**Sponsors:** John T. Bullock, City Council President (Administration)

**Indexes:** Conservation, Devices, Energy, Real Property, Tax Credits

**Code sections:**

**Attachments:** 1. 23-0368~1st Reader, 2. Finance 23-0368, 3. Law 23-0368, 4. DHCD 23-0368, 5. 23-0368 - Planning, 6. 23-0368 BCIT, 7. CHAP 23-0368, 8. XX Final Synopsis 23-0368, 9. XX Final Hearing Notes 23-0368, 10. 23-0368~3rd Reader, 11. 23-0368 Signed, 12. Completed Ordinance 23-0368

Date	Ver.	Action By	Action	Result
6/26/2023	0	Mayor	Signed by Mayor	
5/15/2023	0	Baltimore City Council	Advanced to 3rd Reader on same day	
5/15/2023	0	Baltimore City Council	Approved and Sent to the Mayor	
5/15/2023	0	Ways and Means	Scheduled for a Public Hearing	
5/9/2023	0	Ways and Means	Recommended Favorably	Pass
5/1/2023	0	Ways and Means	Scheduled for a Public Hearing	
3/30/2023	0	Baltimore City Council	Refer to Mayor's Office of Information Technology	
3/30/2023	0	Baltimore City Council	Refer to Dept. of Housing and Community Development	
3/30/2023	0	Baltimore City Council	Refer to Dept. of Planning	
3/30/2023	0	Baltimore City Council	Refer to Office of Sustainability	
3/30/2023	0	Baltimore City Council	Refer to Dept. of Finance	
3/30/2023	0	Baltimore City Council	Refer to Commission for Historical & Architectural Preservation	
3/30/2023	0	Baltimore City Council	Refer to City Solicitor	
3/27/2023	0	Baltimore City Council	Assigned	
3/27/2023	0	Baltimore City Council	Introduced	

**Explanation:** Capitals indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

\* **Warning:** This is an unofficial, introductory copy of the bill.  
The official copy considered by the City Council is the first reader copy.

**Introductory\***

## City of Baltimore Council Bill

Introduced by: Councilmember Bullock  
At the request of: The Administration (Department of Finance)

### A Bill Entitled

An Ordinance concerning

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

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

By repealing and reordaining, with amendments

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.

##### *(2) Dwelling.*

###### *(i) In general.*

“Dwelling” means a house that is:

- (A) used as the principal residence of the homeowner; and
- (B) actually occupied or expected to be occupied by the homeowner for more than 6 months of a 12-month period beginning with the date of finality for the taxable year for which the property tax credit under this section is sought.

###### *(ii) Inclusions.*

“Dwelling” includes:

- (A) a condominium unit that is occupied by an individual who has legal interest in the condominium;
- (B) an apartment in a cooperative apartment corporation that is occupied by an individual who has legal interest in the apartment; and
- (C) a part of real property used other than primarily for residential purposes, if the real property is used as a principal residence by an individual who has a legal interest in the real property.

(ii) *Exclusions.*

“Dwelling” does not include the lot or curtilage on which the house, condominium, apartment, or other improvement is erected.

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

“Eligible costs” means reasonable costs incurred:

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

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

“Geothermal energy device” means an energy conserving device that:

- (i) uses geothermal energy to heat or cool a structure or to provide hot water for use in the structure; and
- (ii) meets national safety and performance standards set by a nationally recognized testing laboratory for that type of device.

(5) *House.*

“House” means a structure that has been adapted for overnight accommodation of an individual.

(6) *Principal residence.*

“Principal residence” means the one dwelling where an individual regularly resides and is the location designated by the individual for the legal purpose of voting, obtaining a driver’s license, and filing income tax returns.

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

“Solar energy device” means an energy conserving device that:

- (i) uses solar energy to heat or cool a structure, to generate electricity to be used in the

structure, or to provide hot water for use in the structure; and

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

(b) *Credit granted.*

(1) *In general.*

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

(2) *Limitation.*

The City may not grant more than 1 tax credit for each dwelling.

(c) *Qualifications.*

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

- (1) filing a state income tax return as a resident of Baltimore City for each taxable year for which the credit is sought;
- (2) filing an application for the credit with the Director of the Department of Finance; and
- (3) satisfying all other conditions imposed by the regulations of the Director of the Department of Finance.

(d) *Amount of credit.*

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

- (1) 50% of the eligible costs up to a maximum of \$5,000; or
- [(2) \$5,000 for a heating system or \$1,500 for a hot water supply system.]
- (2) 50% of the eligible costs up to a maximum of \$1,500 for either a solar energy device or geothermal energy device installed exclusively to provide hot water for use in the dwelling.

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

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

(f) *Tax credit period.*

The tax credit granted under this section applies in the taxable year immediately following the submission of an application.

(g) *Transfer of credit.*

The tax credit granted under this section is transferable to a subsequent owner if:

- (1) the transfer is within the 1-year credit eligibility period; and
- (2) the solar energy device or geothermal energy device remains in use in the dwelling.

(h) [(f)] *Application.*

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

(i) [(g)] *Administration.*

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

- (1) shall, subject to Title 4 {"Administrative Procedure Act - Regulations"} of the City General Provisions Article, adopt rules and regulations to carry out this section, including procedures, forms, and documentation required to apply for the credit authorized by this section; and
- (2) may settle disputed claims arising in connection with the credit authorized by this section.

(j) [(h)] *Reporting credits.*

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

- (1) reported by the Director of the Department of Finance as a "tax expenditure" for that fiscal year; and
- (2) included in the publication of the City's budget for any subsequent fiscal year with the estimated or actual City property tax revenue for the applicable fiscal year.

(k) [(i)] *Annual report.*

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

(l) *Termination of tax credit.*

The Department of Finance may not accept applications for the tax credit granted under this section after June 30, 2028.

**Section 2. And be it further ordained,** That this Ordinance takes effect on the date it is enacted.