

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2012 Legislative Session

Bill No. CB-77-2012

Chapter No. 84

Proposed and Presented by Council Member Lehman

Introduced by Council Members Lehman, Campos, Davis, Franklin, Patterson & Turner

Co-Sponsors _____

Date of Introduction October 23, 2012

BILL

1 AN ACT concerning

2 Energy Conservation Real Property Tax Credit

3 For the purpose of providing that lessees of a solar energy device or geothermal energy device
4 are eligible for the energy conservation real property tax credit; and generally relating to the
5 energy conservation real property tax credit.

6 BY repealing and reenacting with amendments:

7 SUBTITLE 10. FINANCE AND TAXATION.

8 Sections 10-235.06,

9 The Prince George's County Code

10 (2011 Edition).

11 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
12 Maryland, that Section 10-235.06 of the Prince George's County Code be and the same is hereby
13 repealed and reenacted with the following amendments:

14 SUBTITLE 10. FINANCE AND TAXATION.

15 DIVISION 8. TAX ASSESSMENT, LEVY, AND COLLECTION.

16 Subdivision 5E. Energy Conservation Real Property Tax Credit.

17 **Sec. 10-235.06. Energy Conservation Real Property Tax Credit.**

18 (a) In accordance with the provisions of Section 9-203 of the Tax-Property Article of the
19 Annotated Code of Maryland, there is a tax credit against the property tax imposed on real
20 property on a residential structure that utilizes a solar energy or geothermal energy device

1 whether such device is owned by a homeowner, leased or financed through a Solar Power
 2 Purchase Agreement.

3 (b) For the purposes of this section, the following terms have the meanings:

4 (1) “Solar Energy Device” means an energy conservation device that:

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

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

9 (2) “Geothermal Energy Device” means an energy conserving device that:

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

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

14 (3) “Eligible Costs” means those that are incurred:

15 (i) within the 12 months before the initial application for the credit; and

16 (ii) for costs, including up front costs for the solar energy or geothermal energy
 17 device, including any parts, component, or accessory equipment necessary to operate the device,
 18 and reasonable costs associated with installing the device.

19 (4) “Solar Power Purchase Agreement” means a financial arrangement in which a
 20 third-party developer owns, operates, and maintains the photovoltaic (PV) system, and a host
 21 customer agrees to site the system on its roof or elsewhere on its property and purchases the
 22 system’s electric output from the solar services provider for a predetermined period. A taxpayer
 23 with a Solar Power Purchase Agreement or other type of leasing agreement is eligible for a tax
 24 credit under this section. [A] An executed copy of the [sale,] lease[,] or power purchase
 25 agreement shall be provided to the [Department] Office of Finance as part of the energy
 26 conservation real property tax credit application.

27 (c) The tax credit under this section for solar or geothermal system purchases is the lesser
 28 of:

29 (1) 50% of eligible costs; or

30 (2) \$5,000 for a heating system or \$1,500 for a hot water supply system.

1 (3) During the fiscal year, [the total of all] tax credits granted under [this section]
2 Subsection 10-235.06(c) shall not exceed \$250,000.

3 (d) The tax credit under this section for leases or solar power purchase agreements is
4 the lesser of:

5 (1) 50% of eligible costs; or

6 (2) \$1,000, and shall not exceed the cost of the system.

7 (3) During the fiscal year, tax credits granted under Subsection 10-235.06(d) for lease
8 arrangements or solar power purchase agreements shall not exceed \$100,000. The tax credit
9 under Subsection 10-235.06(d) applies solely to solar energy devices installed after January 1,
10 2013.

11 (e) No more than one tax credit under this Section shall be granted per residential
12 household per tax year.

13 (f) Tax credits shall be granted in the order in which the Office of Finance receives the
14 complete application under subsection (f) (h) of the section. If a complete application granted
15 would cause the limit set in this subsection to be exceeded, the tax credit shall be granted in the
16 next fiscal year or years and in the order received.

17 [(e)] (g) The amount of the tax credit applied in any tax year may not exceed the amount
18 of the County property tax imposed on the property in that tax year. Any amount of the credit
19 not taken in the tax year in which the application was granted may be carried over for an
20 additional two years.

21 [(f)] (h) Application for the tax credit established herein shall be made under oath on an
22 application provided by the Director of Finance. The application shall provide a legal
23 description of the property, proof of a properly installed solar energy or geothermal energy
24 device, and such other information or documentation as the Director may require to determine
25 whether the applicant can qualify for the tax credit.

26 [(g)] (i) The Director of Finance shall determine the eligibility of the taxpayer for the tax
27 credit and notify the State Department of Assessments and Taxation that a taxpayer has been
28 approved for the property tax credit and the assessed value of the premises.

29 [(h)] (j) The Director of Finance shall provide an annual report to the County Council on
30 the energy conservation real property tax credit on or before December 31st of each year for the

1 previous fiscal year, which will show the location by Councilmanic District and include the
2 following:

- 3 (1) the number of applications received;
- 4 (2) the number of applications denied;
- 5 (3) the amount of tax credits approved; and
- 6 (4) the amount of tax credits carried over.

7 SECTION 2. BE IT FURTHER ENACTED that this Act shall take effect on forty-five (45)
8 calendar days after it becomes law.

Adopted this 20th day of November, 2012.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Andrea C. Harrison
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Rushern L. Baker, III
County Executive

KEY:
Underscoring indicates language added to existing law.
[Brackets] indicate language deleted from existing law.
Asterisks *** indicate intervening existing Code provisions that remain unchanged.