

Prince George's County Council

Agenda Item Summary

Meeting Date: 7/23/2008
Reference No.: CB-011-2008
Draft No.: 2
Proposer(s): Olson, Dernoga, Campos
Sponsor(s): Olson, Dernoga, Campos, Exum, Harrison, Dean, Turner
Item Title: An Act concerning energy conservation real property tax credit for the purpose of establishing a tax credit for real property for residential homeowners who utilize solar or geothermal energy conservation devices

Drafter: Todd M. Turner, Legislative Officer
Resource Personnel: Dannielle Glaros, Legislative Aide

LEGISLATIVE HISTORY:

Date Presented:	4/1/2008	Executive Action:	8/11/2008 S
Committee Referral:	4/1/2008 - PSFM	Effective Date:	9/26/2008

Committee Action: 6/16/2008 - FAV(A)

Date Introduced: 7/1/2008
Public Hearing: 7/23/2008 - 10:00 AM

Council Action (1) 7/23/2008 - ENACTED
Council Votes: MB:A, WC:A, SHD:A, TD:A, CE:A, AH:A, TK:-, EO:A, IT:A
Pass/Fail: P
Remarks:

AFFECTED CODE SECTIONS:

10-235.06

COMMITTEE REPORTS:

Public Safety and Fiscal Management **Date 6/16/2008**

Committee vote: Favorable as amended, 4-0, (In favor: Councilmembers Knotts, Campos, Dean and Exum.)

This bill will establish a tax credit for real property for residential homeowners who utilize solar or geothermal energy conservation devices. The proposed tax credit will be the lesser of 50% of eligible costs, or \$5,000 for a heating system or \$1,500 for a hot water supply system. Eligible costs are those incurred within the 12 months before the initial application for the credit, the cost for the solar energy or geothermal energy device including any parts, components, or accessory equipment necessary to operate the device, and reasonable costs associated with installing the device.

The proposed energy total credit amount should not exceed \$250,000 per fiscal year. Tax credit will be granted in the order in which the Office of Finance receives the completed applications. The number of grant applications exceeding the maximum amount of \$250,000 will be granted in the next fiscal year or years and in the order received. The proposed tax credit cannot exceed the amount of the County's property tax imposed on the property in the tax year.

Application for the tax credit is made under oath and submitted to the Director of the Office of Finance. The Director of the Office of Finance will determine the eligibility of the taxpayer for the tax credit and will notify the State Department of Assessments and Taxation when the taxpayer is approved for the property tax credit and the assessed value of the premises.

The Office of Law has reviewed the bill and finds it to be in proper legislative form with no legal impediments to its enactment.

The bill was amended as follows:

1. On page 2, line 19, delete “Department” and insert “Office.”
2. On page 3, line 6, after “year” add “which will show the location by Councilmanic District and include the following:”
 1. the number of applications received;
 2. the number of applications denied;
 3. the amount of tax credits approved; and
 4. the amount of tax credits carried over.

The fiscal impact on the County will be negative by as much as \$250,000 per year, depending on the level of citizen participation in securing and installing solar and geothermal energy devices that qualify for the tax credit.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

This bill would create a tax credit for real property for residential homeowners who utilize solar or geothermal energy conservation devices, , pursuant Section 9-203 of the Tax-Property Article of the Annotated Code of Maryland, as a means of providing energy efficient use in private dwellings in the County.

CODE INDEX TOPICS:

INCLUSION FILES:
