

MEMORANDUM

March 1, 2019

TO: County Council

FROM: Amanda Mihill, Legislative Attorney *A. Mihill*

SUBJECT: Bill 7-19, Environmental Sustainability – Commercial Property Assessed Clean Energy Program – New Construction

PURPOSE: Introduction – no Council votes required

Bill 7-19, Environmental Sustainability – Commercial Property Assessed Clean Energy Program – New Construction, sponsored by Lead Sponsor Councilmember Hucker and Co-Sponsor Councilmember Friedson, is scheduled to be introduced on March 5. A public hearing is tentatively scheduled for March 26 at 1:30 p.m.¹

Bill 7-19 would expand the Commercial Property Assessed Clean Energy Program to new construction.

This packet contains:

Bill 7-19

Legislative Request Report

Circle #

1

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¹ Key Search Terms #MoCoCleanEnergy

Other search terms: Clean Energy Program, new construction, environmental incentives, CPACE and Commercial PACE

Bill No. 7-19
Concerning: Environmental Sustainability
- Commercial Property Assessed
Clean Energy Program - New
Construction
Revised: 2/20/2019 Draft No. 2
Introduced: March 5, 2019
Expires: September 5, 2020
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Hucker
Co-Sponsor: Councilmember Friedson

AN ACT to:

- (1) expand the Commercial Property Assessed Clean Energy Program to new construction; and
- (2) generally amend County laws related to the Commercial Property Assessed Clean Energy Program and environmental sustainability.

By amending

Montgomery County Code
Chapter 18A, Environmental Sustainability
Sections 18A-33 and 18A-35

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Sections 18A-33 and 18A-35 are amended as follows:

18A-33. Definitions.

(a) *Definitions.* In this Section, the following words have the meanings indicated:

* * *

Qualified property means any new or existing commercial real property that meets the eligibility criteria for the Program.

* * *

18A-35. Eligibility.

In order to be eligible for this Program, the following criteria must be met:

* * *

(a) *Eligibility.*

* * *

(4) For new commercial construction, the property must exceed the current County energy conservation building code performance.

(5) The loan amount under this Program must meet the following criteria:

(A) The loan amount must be at least \$5,000 and, for existing commercial property, not more than 20% of either the full cash value or the appraised value of the qualified property. The full cash value is determined by the Maryland State Department of Assessments and Taxation. The appraised value must be determined by a Certified General Real Estate Appraiser and must have been certified no more than 12 months before the date of the loan application.

(B) The loan amount, together with the outstanding balance of the mortgage or deed of trust, must be no more than 90%

28 of either the full cash value or the appraised value of the
 29 qualified property.

30 (C) For new commercial construction, the maximum loan
 31 amount must not exceed 20% of the total construction
 32 costs.

33 * * *

34 *Approved:*

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Nancy Navarro, President, County Council

Date

36 *Approved:*

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Marc Elrich, County Executive

Date

38 *This is a correct copy of Council action.*

39

Megan Davey Limarzi, Esq., Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT
Bill 7-19

Environmental Sustainability – Commercial Property Assessed Clean Energy Program – New Construction

DESCRIPTION: Bill 7-19 would expand the Commercial Property Assessed Clean Energy Program to new construction.

PROBLEM: Interpretations of County law result in new construction being ineligible for the CPACE program.

GOALS AND OBJECTIVES: To promote environmental sustainability by allowing new commercial construction to be eligible for the CPACE program.

COORDINATION: Department of Environmental Protection

FISCAL IMPACT: To be requested

ECONOMIC IMPACT: To be requested

EVALUATION: To be requested

EXPERIENCE ELSEWHERE: To be researched

SOURCES OF INFORMATION: Amanda Mihill, Legislative Attorney, 240-777-7815

APPLICATION WITHIN MUNICIPALITIES: To be researched.

PENALTIES: n/a