



Committee: TE
Committee Review: At a future date
Staff: Khandikile Mvunga Sokoni, Legislative Attorney
Purpose: To introduce agenda item – no vote expected
Keywords: #FuelEnergyTax #GreenBank

AGENDA ITEM#1A
June 20, 2023
Introduction

SUBJECT

Bill 28-23, Taxation – Fuel Energy Tax – Green Bank
Lead Sponsor: Transportation and Environment Committee

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION: N/A

DESCRIPTION/ISSUE

Bill 28-23 would

- (1) restrict the use of fuel energy tax funds by the Montgomery County’s Green Bank to only support activities that promote the investment in clean energy technologies and to provide financing for clean energy technologies, including renewable energy and energy efficiency projects and not resiliency activities; and
- (2) generally amend the law related to taxation, the fuel-energy tax and environmental sustainability.

SUMMARY OF KEY DISCUSSION POINTS

- (1) The Transportation and Environment (TE) Committee sponsored Bill 28-23 in connection with the enactment of Bill 03-23.
- (2) Bill 28-23 seeks to make it clear that despite the Green Bank’s authority to expand the scope of its activities to include resiliency, the 10% appropriation must remain dedicated to the original intent of the appropriation which is investment in clean energy.
- (3) Bill 28-23 seeks to ensure that the provisions of the Tax Law are consistent with the Environmental Sustainability Chapter regarding the 10% appropriation from the fuel energy tax.

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MEMORANDUM

June 15, 2023

TO: County Council

FROM: Khandikile Mvunga Sokoni, Legislative Attorney

SUBJECT: Bill 28-23, Taxation – Fuel Energy Tax – Green Bank

PURPOSE: Introduction – no vote expected

Bill 28-23, Taxation – Fuel Energy Tax – Green Bank, sponsored by the Transportation and Environment (TE) Committee, is scheduled to be introduced on June 20, 2023. A public hearing is tentatively scheduled for July 11, 2023, and the TE Committee worksession is tentatively scheduled for July 17, 2023.

BACKGROUND

In adopting Bill 44-21, on February 1, 2022, the Council specifically provided for the appropriation of 10% of the revenue received by the County from the fuel-energy tax each year to the nonprofit corporation designated as the Montgomery County Green Bank. This provision is codified under Chapter 52, Taxation, Sec. 52-14(j). At the time, the Green Bank’s authority was limited to primarily investing in clean energy technologies. Then the Council enacted Bill 3-23 on March 21, 2023¹ to amend the Environmental Sustainability Chapter of the Code, granting the Green Bank the ability to expand its scope to include engaging in climate resiliency activities. The TE Committee decided to limit the use of that 10% appropriation from the fuel energy tax to only support activities that promote the investment in clean energy technologies and to provide financing for clean energy technologies, including renewable energy and energy efficiency projects and not resiliency activities. Hence this bill.

BILL SPECIFICS

This bill seeks to make it clear that despite the Green Bank’s authority to expand the scope of its activities to include resiliency, the 10% appropriation must remain dedicated to the original intent of the appropriation which is investment in clean energy.

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¹ Bill 3-23 takes effect on July 3, 2023

Bill No. 28-23
Concerning: Taxation – Fuel Energy Tax
– Green Bank
Revised: 03/17/2023 Draft No. 1
Introduced: June 20, 2023
Expires: December 27, 2023
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Transportation and Environment Committee

AN ACT to:

- (1) restrict the use of fuel energy tax funds by the Montgomery County’s Green Bank to only support activities that promote the investment in clean energy technologies and to provide financing for clean energy technologies, including renewable energy and energy efficiency projects and not resiliency activities; and
- (2) generally amend the law related to taxation, the fuel-energy tax and environmental sustainability.

By amending
Montgomery County Code

Chapter 52, Taxation
Section 52-14

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:

LEGISLATIVE REQUEST REPORT

Bill 28-23

Taxation – Fuel Energy Tax – Green Bank

DESCRIPTION:	Bill xx-23 restricts the use of fuel energy tax funds by the Montgomery County’s Green Bank to only support activities that promote the investment in clean energy technologies and to provide financing for clean energy technologies, including renewable energy and energy efficiency projects and not resiliency activities.
PROBLEM:	In adopting Bill 44-21, the Council specifically provided for the appropriation of 10% of the revenue received by the County from the fuel-energy tax each year to the nonprofit corporation designated as the Montgomery County Green Bank. This provision is codified under Chapter 52, Sec. 52-14(j). At the time, the Green Bank’s authority was limited to primarily investing in clean energy technologies. Now, Bill 3-23 seeks to grant the Green Bank the ability to expand its scope to include engaging in climate resiliency activities. The Transportation and Environment Committee wishes to limit the use of that 10% appropriation from the fuel energy tax to only support activities that promote the investment in clean energy technologies and to provide financing for clean energy technologies, including renewable energy and energy efficiency projects and not resiliency activities.
GOALS AND OBJECTIVES:	To ensure that the 10% portion of the fuel energy tax that is allocated to the Green Bank every year will continue to support the Green Bank’s original scope of work.
COORDINATION:	Finance/Green Bank
RACIAL EQUITY AND SOCIAL JUSTICE IMPACT STATEMENT	Office of Legislative Oversight
FISCAL IMPACT:	Office of Management and Budget
ECONOMIC IMPACT:	Office of Legislative Oversight.
EVALUATION:	N/A.
EXPERIENCE ELSEWHERE:	N/A.
SOURCE OF INFORMATION:	Khandikile Mvunga Sokoni, Legislative Attorney, 240-777-7895
APPLICATION WITHIN MUNICIPALITIES:	Countywide
PENALTIES:	N/A