

HOUSE BILL 637

P1, M1, M3

2lr2611
CF SB 513

By: **Delegate Serafini**

Introduced and read first time: February 8, 2012

Assigned to: Health and Government Operations and Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **State Finance and Procurement – Renewable Energy Resources – Lease of**
3 **State Property**

4 FOR the purpose of requiring the Board of Public Works to lease certain renewable
5 energy resources in accordance with certain provisions of law; requiring the
6 Board to charge a certain rental fee and certain royalties in a certain lease in a
7 certain manner; prohibiting the Board from approving a certain lease until
8 certain information is submitted to the Legislative Policy Committee and a
9 certain lease is approved by the Legislative Policy Committee or the General
10 Assembly in a certain manner; defining certain terms; and generally relating to
11 the lease of renewable energy resources located on real property owned by the
12 State.

13 BY repealing and reenacting, without amendments,
14 Article – Public Utilities
15 Section 1–101(bb)
16 Annotated Code of Maryland
17 (2010 Replacement Volume and 2011 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – State Finance and Procurement
20 Section 10–307
21 Annotated Code of Maryland
22 (2009 Replacement Volume and 2011 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
24 MARYLAND, That the Laws of Maryland read as follows:

25 **Article – Public Utilities**

26 1–101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (bb) “Renewable energy resource” means one or more of the following sources
2 of energy, energy technology, or related credit:

3 (1) solar;

4 (2) wind;

5 (3) tidal;

6 (4) geothermal;

7 (5) biomass, including waste-to-energy and landfill gas recovery;

8 (6) hydroelectric facilities;

9 (7) digester gas; and

10 (8) a manufacturing or commercial waste-to-energy system or facility.

11 **Article – State Finance and Procurement**

12 10–307.

13 (a) **(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
14 **MEANINGS INDICATED.**

15 **(2) [In this section, “geothermal resources”] “GEOTHERMAL**
16 **RESOURCES”** has the meaning stated in § 5–601 of the Environment Article.

17 **(3) (I) “RENEWABLE ENERGY RESOURCE” HAS THE MEANING**
18 **STATED IN § 1–101 OF THE PUBLIC UTILITIES ARTICLE.**

19 **(II) “RENEWABLE ENERGY RESOURCE” INCLUDES**
20 **GEOTHERMAL RESOURCES.**

21 (b) **(1) [Subject to any conditions the Board and the Department of**
22 **Natural Resources impose, geothermal resources] EXCEPT AS PROVIDED IN**
23 **PARAGRAPH (2) OF THIS SUBSECTION AND NOTWITHSTANDING ANY OTHER**
24 **PROVISION OF LAW, RENEWABLE ENERGY RESOURCES** located on real property
25 owned by the State may be sold, leased, transferred, exchanged, granted, or otherwise
26 disposed of to any person for a consideration the Board decides is adequate.

27 **(2) THE BOARD SHALL LEASE RENEWABLE ENERGY RESOURCES**
28 **LOCATED ON REAL PROPERTY OWNED BY THE STATE IN ACCORDANCE WITH**
29 **THIS SECTION.**

1 **(C) IN A LEASE OF RENEWABLE ENERGY RESOURCES LOCATED ON REAL**
2 **PROPERTY OWNED BY THE STATE, THE BOARD SHALL CHARGE:**

3 **(1) AN ANNUAL RENTAL FEE IN AN AMOUNT THAT MAXIMIZES THE**
4 **ECONOMIC RETURN TO THE STATE; AND**

5 **(2) ROYALTIES ON THE ENERGY PRODUCED BY THE RENEWABLE**
6 **ENERGY RESOURCES IN AN AMOUNT THAT MAXIMIZES THE ECONOMIC RETURN**
7 **TO THE STATE.**

8 **(D) (1) THE BOARD MAY NOT APPROVE THE LEASE OF RENEWABLE**
9 **ENERGY RESOURCES LOCATED ON REAL PROPERTY OWNED BY THE STATE FOR**
10 **THE PURPOSE OF PRODUCING ENERGY UNTIL:**

11 **(I) THE INFORMATION IN PARAGRAPH (2) OF THIS**
12 **SUBSECTION HAS BEEN SUBMITTED, BY ELECTRONIC MAIL AND BY CERTIFIED**
13 **MAIL, TO THE LEGISLATIVE POLICY COMMITTEE; AND**

14 **(II) 1. THE LEGISLATIVE POLICY COMMITTEE HAS**
15 **APPROVED THE LEASE UNDER PARAGRAPH (3)(II)1 OF THIS SUBSECTION; OR**

16 **2. THE GENERAL ASSEMBLY HAS APPROVED THE**
17 **LEASE UNDER PARAGRAPH (4)(II) OF THIS SUBSECTION.**

18 **(2) THE BOARD SHALL SUBMIT THE FOLLOWING INFORMATION**
19 **TO THE LEGISLATIVE POLICY COMMITTEE:**

20 **(I) A DESCRIPTION OF THE PROPERTY;**

21 **(II) A COPY OF THE PROPOSED LEASE; AND**

22 **(III) A STATEMENT OF THE ENVIRONMENTAL, FISCAL, AND**
23 **ECONOMIC IMPACT OF THE LEASE.**

24 **(3) WITHIN 45 DAYS AFTER RECEIVING THE INFORMATION**
25 **SUBMITTED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE LEGISLATIVE**
26 **POLICY COMMITTEE SHALL:**

27 **(I) REVIEW THE INFORMATION; AND**

1 **(II) 1. APPROVE THE PROPOSED LEASE OF RENEWABLE**
2 **ENERGY RESOURCES LOCATED ON REAL PROPERTY OWNED BY THE STATE FOR**
3 **THE PURPOSE OF PRODUCING ENERGY; OR**

4 **2. REFER THE PROPOSED LEASE OF RENEWABLE**
5 **ENERGY RESOURCES LOCATED ON REAL PROPERTY OWNED BY THE STATE FOR**
6 **THE PURPOSE OF PRODUCING ENERGY TO THE FULL GENERAL ASSEMBLY AND**
7 **NOTIFY THE BOARD OF THE REFERRAL.**

8 **(4) (I) IF THE LEGISLATIVE POLICY COMMITTEE FAILS TO**
9 **TAKE ANY ACTION UNDER PARAGRAPH (3)(II)2 OF THIS SUBSECTION WITHIN**
10 **THE REQUIRED TIME PERIOD, THE PROPOSED DISPOSITION SHALL BE DEEMED**
11 **APPROVED BY THE COMMITTEE.**

12 **(II) IF THE PROPOSED LEASE OF RENEWABLE ENERGY**
13 **RESOURCES LOCATED ON REAL PROPERTY OWNED BY THE STATE FOR THE**
14 **PURPOSE OF PRODUCING ENERGY IS REFERRED TO THE FULL GENERAL**
15 **ASSEMBLY, THE PROPOSED LEASE MAY NOT BE APPROVED BY THE BOARD**
16 **UNLESS IT IS APPROVED BY THE PASSAGE OF LEGISLATION DURING THE NEXT**
17 **LEGISLATIVE SESSION OF THE GENERAL ASSEMBLY.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2012.