



Committee: TE
Committee Review: At a future date
Staff: Jim Ogorzalek, Legislative Attorney
Purpose: To introduce agenda item – no vote expected

AGENDA ITEM #1B
January 20, 2026
Introduction

SUBJECT

Bill 2-26, Taxation – Fuel-energy tax – Green Bank – Amendments

Lead Sponsors: Councilmembers Luedtke, Friedson, and Glass

Co-sponsors: Council Vice President Balcombe and Councilmembers Stewart, Katz, and Evans

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

N/A

DESCRIPTION/ISSUE

Bill 2-26 would:

- (1) allow the Montgomery County Green Bank to use revenue received from the fuel-energy tax toward resiliency activities; and
- (2) generally amend the law regarding the fuel-energy tax.

SUMMARY OF KEY DISCUSSION POINTS

N/A

This report contains:

Staff Report
Bill 2-26

Pages 1–2
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MEMORANDUM

January 15, 2026

TO: County Council

FROM: Jim Ogorzalek, Legislative Attorney

SUBJECT: Bill 2-26, Taxation – Fuel-energy tax – Green Bank – Amendments

PURPOSE: Introduction – no Council votes required

Bill 2-26, Taxation – Fuel-energy tax – Green Bank – Amendments, is scheduled for introduction on January 20, 2026. Its Lead Sponsors are Councilmembers Luedtke, Friedson, and Glass. The bill’s Co-sponsors are Council Vice President Balcombe and Councilmembers Stewart, Katz, and Evans. A public hearing is tentatively scheduled for February 24, 2026, at 1:30 p.m.

Bill 2-26 would:

- (1) allow the Montgomery County Green Bank to use revenue received from the fuel-energy tax toward resiliency activities; and
- (2) generally amend the law regarding the fuel-energy tax.

Background

Established by Bill 18-15, the Montgomery County Green Bank (“MCGB”) is a designated nonprofit corporation that under current law is intended “to promote and support investment in climate change mitigation and adaptation activities and provide financing for climate change mitigation and adaptation activities in the County.” M.C.C. 18A-44. The Fuel-energy tax “is levied and imposed on every person transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel oil, or liquefied petroleum gas in the County.” M.C.C. 52-14(a)(1).

By Bill 44-21, the Council mandated that it “must appropriate 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.” M.C.C. § 52-14(j). At the time of Bill 44-21’s enactment, MCGB had a narrower mandate limited only to investment in clean energy technologies and not work related to mitigation or adaptation activities.

By Bill 3-23, the Council expanded MCGB’s statutory purpose to the current language in M.C.C. 18A-44 set forth above. The expanded mandate came in response to legislation adopted by the General Assembly in 2020, authorizing local governments to create a “Resilience Authority” to mitigate the impacts of climate risk. Having determined “that creating a Resilience Authority in Montgomery County at this time would not provide any benefits to the County that could not be achieved by expanding the authority of the Green Bank,” the County Executive transmitted what would become Bill 3-23. *See* County Executive Memorandum, included in Bill 3-23 Staff Introduction Packet at ©9–10, available at https://apps.montgomerycountymd.gov/ccllims/DownloadFilePage?FileName=2778_1_23735_Bill_3-2023_Introduction_20230131.pdf.

During consideration of Bill 3-23, the Transportation and Environment (TE) Committee determined that the broader mandate given to MCGB raised questions related to the 10% appropriation set forth in Bill 44-21. As a result, the TE Committee sponsored Bill 28-23, restricting MCGB’s use of fuel-energy tax revenues to “promote the investment in clean energy technologies and to provide financing for clean energy technologies, including renewable energy and energy efficiency projects” and expressly providing that they “must not be used for resiliency activities.” M.C.C. § 51-15(k).

Bill Specifics

Bill 2-26 would eliminate the restriction in 52-14(k), which prevents MCGB from using appropriations derived from fuel-energy tax revenues for resiliency activities. Rather, the bill would amend that section to expressly allow MCGB to use these funds to promote resiliency activities or provide financing for resiliency activities, in addition to the currently allowed uses of promoting investment in and providing financing for clean energy technologies.

This packet contains:
Bill 2-26

Circle #
1

Bill No. 2-26
Concerning: Taxation – Fuel-energy tax –
Green Bank – Amendments
Revised: 1/13/2026 Draft No. 1
Introduced: January 20, 2026
Expiration: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Councilmembers Luedtke, Friedson, and Glass
Co-sponsors: Council Vice President Balcombe and Councilmembers Stewart, Katz, and Evans

AN ACT to:

- (1) allow the Montgomery County Green Bank to use revenue received from the fuel-energy tax toward resiliency activities; and
- (2) generally amend the law regarding the fuel-energy tax.

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:

