

**H.F. 2498**

As amended by H2498A1

**Subject** Geothermal system rebates**Authors** Hemmingsen-Jaeger**Analyst** Bob Eleff**Date** March 25, 2025**Summary**

House File 2498, as amended by the H2498A1 amendment, appropriates \$10 million for rebates to owners of commercial or multifamily buildings who have received or applied for a rebate for purchase and installation of a geothermal heat exchange system under the federal Inflation Reduction Act. Eligible applicants include businesses, nonprofits, governments, Indian tribes, and religious institutions. The program is to be administered by the Department of Commerce.

The amount of the state rebate is the lesser of 15 percent of the cost of the system, up to \$100,000, or total purchase and installation costs net of the federal rebate and other state or utility financial assistance. The federal rebate is 30 percent of the system's costs, provided the project meets prevailing wage and apprenticeship requirements or has a capacity below one megawatt. If these conditions are not met, the project is eligible for a federal rebate equal to six percent of its cost. In addition, projects using at least 45 percent domestic iron, steel, or other manufactured products are eligible for an additional 10 percent federal rebate if they meet the prevailing wage and apprenticeship and capacity requirements.

Priority for awards is to be given to buildings owned by nonprofit and government entities that are low-income rental property.