

SENATE BILL 912

M5, C5, F5

0lr1543
CF 0lr1544

By: **Senator Kramer**

Introduced and read first time: February 3, 2020

Assigned to: Budget and Taxation and Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Climate Crisis and Education Act**

3 FOR the purpose of establishing a Climate Crisis Initiative in the Department of the
4 Environment for certain purposes; providing for the purposes of the Initiative;
5 establishing a certain greenhouse gas reduction target for certain years; establishing
6 a Climate Crisis Council with certain membership for certain purposes; requiring
7 the Council to develop a certain plan with certain required elements and submit the
8 plan to the General Assembly; requiring the Council to have the plan verified in a
9 certain manner; requiring the Council to hold certain meetings for certain purposes;
10 requiring the Secretary of the Environment to administer certain schedules of
11 greenhouse gas pollution fees; requiring the Secretary to delegate certain collection
12 and benefit functions to the Comptroller; requiring the Comptroller to carry out
13 certain functions; requiring the collection of a certain greenhouse gas pollution fee
14 on certain fuels and certain electricity for certain purposes; providing for the
15 assessment of a certain fee on certain substances at certain rates in certain years,
16 subject to a certain condition; requiring the collection of a certain fee on certain
17 products at their first point of sale in the State; reducing a certain fee by a certain
18 amount under certain circumstances; prohibiting the passing through of a certain
19 fee to certain end users or customers, with a certain exception; requiring each electric
20 distribution company and each competitive electricity supplier to pay in a certain
21 manner a certain fee calculated in a certain manner; providing for the deduction of
22 certain amounts from a certain fee in a certain manner; requiring the payment of a
23 certain fee quarterly with an annual reconciliation; requiring each electricity
24 supplier to file certain information with the Public Service Commission by a certain
25 date each year for certain purposes; requiring the Commission to open a docket for
26 certain purposes; requiring the Commission to issue a certain order under certain
27 circumstances; requiring certain persons generating a certain amount of electricity
28 to pay a certain fee calculated in a certain manner; requiring certain natural gas
29 distribution companies to pay a certain fee calculated in a certain manner; requiring
30 the Secretary to determine a certain fee for certain fugitive emissions and intentional
31 releases for the purpose of determining a certain additional fee; exempting certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 governmental units from the fee under this Act; providing for the initial date of
2 collection of a certain fee; requiring the Secretary to determine certain matters for
3 identifying certain substances as subject to a certain fee, with certain exceptions;
4 requiring the Secretary to prepare certain reports periodically considering certain
5 matters and to submit the reports to the Governor and the General Assembly;
6 prohibiting the imposition of certain fees if superseded by federal law or regulation;
7 providing for the distribution of certain fees to certain funds in a certain manner;
8 establishing a Kirwan Initiative Fund as a special, nonlapsing fund for certain
9 purposes; providing for the administration and functioning of the Kirwan Fund;
10 providing for the investment of money in and expenditures from the Kirwan Fund;
11 requiring interest earnings of the Kirwan Fund to be credited to the Kirwan Fund;
12 providing for the distribution of money from the Kirwan Fund for certain purposes;
13 establishing a Household and Employer Benefit Fund as a special, nonlapsing fund
14 for certain purposes; providing for the administration and functioning of the Benefit
15 Fund; providing for the investment of money in and expenditures from the Benefit
16 Fund; requiring interest earnings of the Benefit Fund to be credited to the Benefit
17 Fund; establishing certain accounts in the Benefit Fund for certain purposes;
18 providing for the distribution of money in the Household Benefit Account and the
19 Employer Benefit Account in certain manners for certain purposes; providing that
20 certain money distributed as a benefit under this Act may not be included in taxable
21 income for purposes of any State or local income tax; providing that certain money
22 distributed as a benefit shall be excluded from household income for certain
23 purposes; requiring the Secretary to consider certain alternative calendar schedules
24 for certain purposes; authorizing certain beneficiaries to receive benefits in a certain
25 manner; establishing a Climate Crisis Infrastructure Fund as a special, nonlapsing
26 fund for certain purposes; providing for the administration and functioning of the
27 Infrastructure Fund; providing for the investment of money in and expenditures
28 from the Infrastructure Fund; requiring interest earnings of the Infrastructure Fund
29 to be credited to the Infrastructure Fund; providing for the distribution of money
30 from the Infrastructure Fund on approval by the Secretary in a certain manner for
31 certain purposes; establishing a certain fee to be charged on certain new motor
32 vehicles sold or registered in the State based on certain ratings; setting the amount
33 of the fee; exempting certain motor vehicles from the fee; requiring the Department
34 of Transportation to review certain exemptions on or before a certain date and make
35 certain recommendations; requiring the fee to be deposited in the Infrastructure
36 Fund and used for certain purposes; providing that the Secretary is not subject to
37 penalties or actions for damages for certain actions under this Act; requiring the
38 Secretary to make certain efforts to return certain fees to certain persons in a certain
39 manner; requiring the Secretary to identify certain measures and programs each
40 year in consultation with certain units; requiring the Secretary to study and report
41 on certain matters to the Governor and the General Assembly by a certain date;
42 requiring the Secretary to adopt certain regulations in consultation with the
43 Commission; exempting the Infrastructure Fund, the Benefit Fund, and the Kirwan
44 Fund from a certain provision of law requiring interest earnings on State money to
45 accrue to the General Fund of the State; defining certain terms; and generally
46 relating to the Climate Crisis Initiative, greenhouse gas emissions reductions, and
47 education.

- 1 BY renumbering
2 Article – Environment
3 Section 2–1201 and 2–1202, respectively
4 to be Section 2–1202 and 2–1201, respectively
5 Annotated Code of Maryland
6 (2013 Replacement Volume and 2019 Supplement)
- 7 BY adding to
8 Article – Environment
9 New part designation “Part I. Statewide Inventory and Emissions Reduction Plan”
10 to immediately precede Section 2–1201; and Section 2–1214 through 2–1228
11 to be under the new part “Part II. Climate Crisis Initiative”
12 Annotated Code of Maryland
13 (2013 Replacement Volume and 2019 Supplement)
- 14 BY repealing and reenacting, without amendments,
15 Article – Environment
16 Section 2–1201 and 2–1202(1) through (5) and (8)
17 Annotated Code of Maryland
18 (2013 Replacement Volume and 2019 Supplement)
19 (As enacted by Section 1 of this Act)
- 20 BY repealing and reenacting, without amendments,
21 Article – State Finance and Procurement
22 Section 6–226(a)(2)(i)
23 Annotated Code of Maryland
24 (2015 Replacement Volume and 2019 Supplement)
- 25 BY repealing and reenacting, with amendments,
26 Article – State Finance and Procurement
27 Section 6–226(a)(2)(ii)121. and 122.
28 Annotated Code of Maryland
29 (2015 Replacement Volume and 2019 Supplement)
- 30 BY adding to
31 Article – State Finance and Procurement
32 Section 6–226(a)(2)(ii)123. through 125.
33 Annotated Code of Maryland
34 (2015 Replacement Volume and 2019 Supplement)

35 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
36 That Section(s) 2–1201 and 2–1202, respectively, of Article – Environment of the Annotated
37 Code of Maryland be renumbered to be Section(s) 2–1202 and 2–1201, respectively.

38 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
39 as follows:

1 **Article – Environment**

2 **PART I. STATEWIDE INVENTORY AND EMISSIONS REDUCTION PLAN.**

3 2–1201.

4 (a) In this subtitle the following words have the meanings indicated.

5 (b) “Alternative compliance mechanism” means an action authorized by
6 regulations adopted by the Department that achieves the equivalent reduction of
7 greenhouse gas emissions over the same period as a direct emissions reduction.

8 (c) “Carbon dioxide equivalent” means the measurement of a given weight of a
9 greenhouse gas that has the same global warming potential, measured over a specified
10 period of time, as one metric ton of carbon dioxide.

11 (d) “Direct emissions reduction” means a reduction of greenhouse gas emissions
12 from a greenhouse gas emissions source.

13 (e) “Greenhouse gas” includes carbon dioxide, methane, nitrous oxide,
14 hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

15 (f) “Greenhouse gas emissions source” means a source or category of sources of
16 greenhouse gas emissions that have emissions of greenhouse gases that are subject to
17 reporting requirements or other provisions of this subtitle, as determined by the
18 Department.

19 (g) “Leakage” means a reduction in greenhouse gas emissions within the State
20 that is offset by a corresponding increase in greenhouse gas emissions from a greenhouse
21 gas emissions source located outside the State that is not subject to a similar state,
22 interstate, or regional greenhouse gas emissions cap or limitation.

23 (h) (1) “Manufacturing” means the process of substantially transforming, or a
24 substantial step in the process of substantially transforming, tangible personal property
25 into a new and different article of tangible personal property by the use of labor or
26 machinery.

27 (2) “Manufacturing”, when performed by companies primarily engaged in
28 the activities described in paragraph (1) of this subsection, includes:

29 (i) The operation of saw mills, grain mills, or feed mills;

30 (ii) The operation of machinery and equipment used to extract and
31 process minerals, metals, or earthen materials or by-products that result from the
32 extracting or processing; and

1 (iii) Research and development activities.

2 (3) “Manufacturing” does not include:

3 (i) Activities that are primarily a service;

4 (ii) Activities that are intellectual, artistic, or clerical in nature;

5 (iii) Public utility services, including gas, electric, water, and steam
6 production services; or

7 (iv) Any other activity that would not commonly be considered as
8 manufacturing.

9 (i) “Statewide greenhouse gas emissions” means the total annual emissions of
10 greenhouse gases in the State, measured in metric tons of carbon dioxide equivalents,
11 including all emissions of greenhouse gases from the generation of electricity delivered to
12 and consumed in the State, and line losses from the transmission and distribution of
13 electricity, whether the electricity is generated in-State or imported.

14 2–1202.

15 The General Assembly finds that:

16 (1) Greenhouse gases are air pollutants that threaten to endanger the
17 public health and welfare of the people of Maryland;

18 (2) Global warming poses a serious threat to the State’s future health,
19 well-being, and prosperity;

20 (3) With 3,100 miles of tidally influenced shoreline, Maryland is vulnerable
21 to the threat posed by global warming and susceptible to rising sea levels and flooding,
22 which would have detrimental and costly effects;

23 (4) The State has the ingenuity to reduce the threat of global warming and
24 make greenhouse gas reductions a part of the State’s future by achieving a 25% reduction
25 in greenhouse gas emissions from 2006 levels by 2020 and by preparing a plan to meet a
26 longer-term goal of reducing greenhouse gas emissions by up to 90% from 2006 levels by
27 2050 in a manner that promotes new “green” jobs, and protects existing jobs and the State’s
28 economic well-being;

29 (5) Studies have shown that energy efficiency programs and technological
30 initiatives consistent with the goal of reducing greenhouse gas emissions can result in a net
31 economic benefit to the State;

32 (8) It is necessary to protect the public health, economic well-being, and
33 natural treasures of the State by reducing harmful air pollutants such as greenhouse gas

1 emissions by using practical solutions that are already at the State's disposal;

2 **2-1212. RESERVED.**

3 **2-1213. RESERVED.**

4 **PART II. CLIMATE CRISIS INITIATIVE.**

5 **2-1214.**

6 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (B) "ADMINISTRATION" MEANS THE MARYLAND ENERGY
9 ADMINISTRATION.

10 (C) "ADULT RESIDENT" MEANS A RESIDENT OF THE STATE AT LEAST 18
11 YEARS OLD.

12 (D) "BENEFIT FUND" MEANS THE HOUSEHOLD AND EMPLOYER BENEFIT
13 FUND ESTABLISHED UNDER § 2-1222 OF THIS SUBTITLE.

14 (E) "COMMISSION" MEANS THE PUBLIC SERVICE COMMISSION.

15 (F) "COUNCIL" MEANS THE CLIMATE CRISIS COUNCIL ESTABLISHED
16 UNDER § 2-1217 OF THIS SUBTITLE.

17 (G) "ELECTRICITY SUPPLIER" HAS THE MEANING STATED IN § 1-101 OF THE
18 PUBLIC UTILITIES ARTICLE.

19 (H) "EMPLOYER" MEANS A PERSON, A GOVERNMENTAL UNIT, OR ANY
20 OTHER ENTITY THAT HAS EMPLOYEES WORKING IN THE STATE.

21 (I) "FOSSIL FUEL" MEANS:

22 (1) NATURAL GAS;

23 (2) PETROLEUM;

24 (3) COAL; AND

25 (4) ANY SOLID, LIQUID, OR GASEOUS FUEL DERIVED FROM ITEM (1),
26 (2), OR (3) OF THIS SUBSECTION.

1 (J) "FUGITIVE EMISSIONS" MEANS EMISSIONS OF GREENHOUSE GASES
2 FROM EQUIPMENT, INCLUDING PIPELINES, DUE TO LEAKS OR OTHER UNINTENDED
3 OR IRREGULAR RELEASES.

4 (K) "GREENHOUSE GAS POLLUTION FEE" OR "FEE" MEANS A FEE IMPOSED
5 ON EACH CARBON DIOXIDE EQUIVALENT UNDER THIS PART.

6 (L) "INFRASTRUCTURE FUND" MEANS THE CLIMATE CRISIS
7 INFRASTRUCTURE FUND ESTABLISHED UNDER § 2-1223 OF THIS SUBTITLE.

8 (M) "INITIATIVE" MEANS THE CLIMATE CRISIS INITIATIVE ESTABLISHED
9 UNDER THIS PART.

10 (N) "KIRWAN FUND" MEANS THE KIRWAN INITIATIVE FUND ESTABLISHED
11 UNDER § 2-1221 OF THIS SUBTITLE.

12 (O) (1) "LIFE CYCLE EMISSIONS" MEANS GREENHOUSE GAS EMISSIONS
13 THAT ARE RELEASED DURING PHASES OF A FUEL OR OTHER PRODUCT'S LIFE.

14 (2) "LIFE CYCLE EMISSIONS" INCLUDES GREENHOUSE GAS
15 EMISSIONS RELEASED DURING EXTRACTION, PROCESSING, TRANSPORTATION, AND
16 DISPOSAL ACTIVITIES.

17 (P) "MINIMUM POLLUTION LEVEL" MEANS THE LOWEST LEVEL OF
18 POLLUTION IN GRAMS PER MILE THAT SUBJECTS A MOTOR VEHICLE TO THE MOTOR
19 VEHICLE FEE UNDER § 2-1224 OF THIS SUBTITLE.

20 (Q) "MINOR RESIDENT" MEANS A RESIDENT OF THE STATE UNDER THE AGE
21 OF 18 YEARS.

22 (R) "MOTOR FUEL" HAS THE MEANING STATED IN § 9-101 OF THE
23 TAX - GENERAL ARTICLE.

24 (S) "MOTOR VEHICLE" HAS THE MEANING STATED IN § 9-101 OF THE
25 TAX - GENERAL ARTICLE.

26 (T) "ON-SITE GENERATED ELECTRICITY" HAS THE MEANING STATED IN §
27 1-101 OF THE PUBLIC UTILITIES ARTICLE.

28 (U) "QUINTILE 1" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
29 INCOMES THROUGH THE 20TH PERCENTILE OF ALL HOUSEHOLDS IN THE STATE.

30 (V) "QUINTILE 2" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX

1 INCOMES ABOVE THE 20TH PERCENTILE THROUGH THE 40TH PERCENTILE OF ALL
2 HOUSEHOLDS IN THE STATE.

3 (W) "QUINTILE 3" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
4 INCOMES ABOVE THE 40TH PERCENTILE THROUGH THE 60TH PERCENTILE OF ALL
5 HOUSEHOLDS IN THE STATE.

6 (X) "QUINTILE 4" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
7 INCOMES ABOVE THE 60TH PERCENTILE THROUGH THE 80TH PERCENTILE OF ALL
8 HOUSEHOLDS IN THE STATE.

9 (Y) "QUINTILE 5" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
10 INCOMES ABOVE THE 80TH PERCENTILE OF ALL HOUSEHOLDS IN THE STATE.

11 (Z) "TOTAL BENEFIT SHARES" MEANS THE SUM OF ALL ADULT RESIDENTS
12 AND ONE-HALF OF THE MINOR RESIDENTS OF THE STATE.

13 2-1215.

14 (A) THERE IS A CLIMATE CRISIS INITIATIVE IN THE DEPARTMENT.

15 (B) THE INITIATIVE PROVIDES FOR:

16 (1) THE ESTABLISHMENT OF GREENHOUSE GAS REDUCTION GOALS;

17 (2) THE ESTABLISHMENT OF A CLIMATE CRISIS COUNCIL;

18 (3) THE ASSESSMENT OF GREENHOUSE GAS POLLUTION FEES;

19 (4) FUNDING FOR EDUCATION UNDER THE RECOMMENDATIONS OF
20 THE COMMISSION ON INNOVATION AND EXCELLENCE IN EDUCATION, COMMONLY
21 KNOWN AS THE "KIRWAN INITIATIVE";

22 (5) THE ASSESSMENT OF A FEE ON THE SALE OR REGISTRATION OF
23 NEW HIGH-EMISSION VEHICLES;

24 (6) BENEFITS TO HOUSEHOLDS AND EMPLOYERS IN THE STATE TO
25 MITIGATE THE IMPACT OF FEES UNDER THE INITIATIVE; AND

26 (7) THE FUNDING OF ACTIVITIES FOR GREENHOUSE GAS REDUCTION
27 AND SEQUESTRATION, IMPROVEMENTS IN RESILIENCY, AND THE PROMOTION OF A
28 JUST ECONOMIC TRANSITION IN THE STATE.

1 **2-1216.**

2 (A) THE STATE SHALL REDUCE STATEWIDE GREENHOUSE GAS EMISSIONS
3 BY:

4 (1) 70% FROM 2006 LEVELS BY 2030; AND

5 (2) 100% FROM 2006 LEVELS BY 2040.

6 (B) AFTER 2040, STATEWIDE GREENHOUSE GAS EMISSIONS SHALL BE NET
7 NEGATIVE.

8 **2-1217.**

9 (A) THERE IS A CLIMATE CRISIS COUNCIL.

10 (B) THE MEMBERSHIP OF THE COUNCIL SHALL BE AS FOLLOWS:

11 (1) ONE MEMBER OF THE HOUSE OF DELEGATES SELECTED BY THE
12 SPEAKER OF THE HOUSE OF DELEGATES;

13 (2) ONE MEMBER OF THE SENATE OF MARYLAND SELECTED BY THE
14 PRESIDENT OF THE SENATE; AND

15 (3) EXPERTS IN THE FIELDS OF ECONOMICS, ENVIRONMENTAL
16 SCIENCE, ENVIRONMENTAL JUSTICE, AND OTHERS, AS NEEDED, APPOINTED
17 JOINTLY BY THE SPEAKER AND THE PRESIDENT.

18 (C) THE COUNCIL SHALL SUBMIT A PLAN TO ACHIEVE THE REDUCTION
19 TARGETS SET OUT IN § 2-1216 OF THIS SUBTITLE TO THE GENERAL ASSEMBLY BY
20 DECEMBER 31, 2021.

21 (D) THE PLAN SHALL INCLUDE POLICIES TO MITIGATE INEQUITIES THAT
22 COULD ARISE FROM THE IMPLEMENTATION OF THE PLAN.

23 (E) THE PLAN MAY RECOMMEND AMENDMENTS TO THE FEE, BENEFIT, AND
24 INVESTMENT PROGRAM ESTABLISHED IN §§ 2-1219 THROUGH 2-1223 OF THIS
25 SUBTITLE IF:

26 (1) THE FEE, BENEFIT, AND INVESTMENT PROGRAM CONTINUES TO
27 PROVIDE \$350,000,000 EACH YEAR TO SUPPORT THE KIRWAN INITIATIVE;

28 (2) LOW- AND MODERATE-INCOME HOUSEHOLDS AND

1 ENERGY-INTENSIVE TRADE-EXPOSED EMPLOYERS ARE REASONABLY PROTECTED
2 FROM FINANCIAL HARM; AND

3 (3) THE AMENDMENTS DO NOT DIMINISH THE EFFECTIVENESS OF
4 THE FEE, BENEFIT, AND INVESTMENT PROGRAM AT REDUCING EMISSIONS.

5 (F) BEFORE THE COUNCIL SUBMITS ITS PLAN TO THE GENERAL ASSEMBLY,
6 AN INDEPENDENT AND RESPECTED ENTITY MUST VERIFY THROUGH MODELING
7 THAT THE PLAN SHALL:

8 (1) MEET THE REDUCTION GOALS SET OUT IN § 2-1216 OF THIS
9 SUBTITLE; AND

10 (2) BE EQUITABLE.

11 (G) IN DEVELOPING THE PLAN AND ANY AMENDMENTS TO THE PLAN, THE
12 COUNCIL SHALL:

13 (1) HOLD PERIODIC MEETINGS AT CONVENIENT LOCATIONS AND
14 TIMES FOR PUBLIC PARTICIPATION; AND

15 (2) PROVIDE A REASONABLE AMOUNT OF TIME IN EACH MEETING FOR
16 COMMENTS BY THE PUBLIC.

17 2-1218.

18 (A) THE SECRETARY SHALL ADMINISTER THE SCHEDULES OF GREENHOUSE
19 GAS POLLUTION FEES UNDER THIS PART.

20 (B) THE SECRETARY SHALL DELEGATE ALL COLLECTION OF GREENHOUSE
21 GAS POLLUTION CHARGES, DISTRIBUTION OF BENEFITS, AND ANY OTHER
22 APPROPRIATE FUNCTIONS TO THE COMPTROLLER.

23 (C) THE COMPTROLLER SHALL CARRY OUT ALL FUNCTIONS THE
24 SECRETARY DELEGATES UNDER THIS PART.

25 2-1219.

26 (A) A GREENHOUSE GAS POLLUTION FEE SHALL BE COLLECTED ON ALL:

27 (1) FOSSIL FUELS BROUGHT INTO THE STATE FOR COMBUSTION IN
28 THE STATE; AND

1 **(2) ELECTRICITY USED IN THE STATE THAT IS GENERATED BY FOSSIL**
2 **FUELS.**

3 **(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE FEE ASSESSED PER**
4 **TON OF CARBON DIOXIDE EQUIVALENT ON:**

5 **(1) NONTRANSPORTATION FUELS SHALL:**

6 **(I) BE \$15 FROM JULY 31 THROUGH DECEMBER 31, 2021;**

7 **(II) BE \$20 IN 2022;**

8 **(III) INCREASE BY \$5 EACH YEAR THEREAFTER THROUGH 2029;**

9 **AND**

10 **(IV) BE \$60 IN 2030 AND EACH YEAR THEREAFTER; AND**

11 **(2) TRANSPORTATION FUELS SHALL:**

12 **(I) BE \$10 FROM JULY 31 THROUGH DECEMBER 31, 2021;**

13 **(II) BE \$13 IN 2022;**

14 **(III) INCREASE BY \$3 EACH YEAR THEREAFTER THROUGH 2029;**

15 **AND**

16 **(IV) BE \$37 IN 2030 AND EACH YEAR THEREAFTER.**

17 **(C) IF THE FEES AND BENEFITS UNDER THIS PART TAKE EFFECT IN A**
18 **CALENDAR YEAR LATER THAN 2021, THE SECRETARY SHALL DELAY THE SCHEDULE**
19 **OF FEES UNDER SUBSECTION (B) OF THIS SECTION BY THE SAME NUMBER OF YEARS.**

20 **(D) (1) THE FEE ON FOSSIL FUELS TO BE COMBUSTED IN THE STATE**
21 **SHALL BE COLLECTED AT THE FOSSIL FUELS' FIRST POINT OF SALE IN THE STATE.**

22 **(2) THE FEE COLLECTED ON A PETROLEUM PRODUCT UNDER**
23 **PARAGRAPH (1) OF THIS SUBSECTION SHALL BE REDUCED BY AN AMOUNT EQUAL TO**
24 **ANY FEE PAID FOR THE SAME YEAR FOR TRANSPORTATION AND CLIMATE INITIATIVE**
25 **ALLOWANCES.**

26 **(3) THE AMOUNT DEDUCTED UNDER PARAGRAPH (2) OF THIS**
27 **SUBSECTION MAY NOT EXCEED THE TOTAL AMOUNT OF THE FEE CALCULATED**
28 **UNDER SUBSECTION (B) OF THIS SECTION.**

1 **(4) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A**
2 **FEE COLLECTED UNDER THIS SECTION MAY NOT BE PASSED THROUGH AS A DIRECT**
3 **COST TO:**

- 4 **1. AN END USER OF A FOSSIL FUEL; OR**
- 5 **2. A CUSTOMER OF AN ELECTRIC COMPANY OR A GAS**
6 **COMPANY.**

7 **(II) THIS PARAGRAPH DOES NOT PROHIBIT THE PASSING**
8 **THROUGH TO A CUSTOMER OF A FEE COLLECTED UNDER THIS SECTION ON**
9 **ELECTRICITY DISTRIBUTED BY AN ELECTRIC COMPANY OR NATURAL GAS**
10 **DISTRIBUTED BY A GAS COMPANY ONLY TO THE EXTENT THAT THE COMMISSION**
11 **APPROVES THE FEE AS A PRUDENTLY INCURRED COST OF DISTRIBUTION.**

12 **(E) (1) EACH ELECTRICITY SUPPLIER, INCLUDING EACH ELECTRIC**
13 **DISTRIBUTION COMPANY OPERATING IN THE STATE AND EACH COMPETITIVE**
14 **SUPPLIER OF ELECTRICITY TO END USERS, SHALL PAY THE FEE ON BEHALF OF ALL**
15 **OF THEIR ELECTRICITY CUSTOMERS ON THE BASIS OF EACH KILOWATT-HOUR OF**
16 **ELECTRICITY USED BY EACH DISTRIBUTION CUSTOMER.**

17 **(2) (I) THE PER-KILOWATT-HOUR FEE TO BE PAID BY THE**
18 **ELECTRICITY SUPPLIER FOR RETAIL ELECTRICITY SOLD TO ELECTRIC CUSTOMERS**
19 **IN THE STATE SHALL BE BASED ON THE CARBON INTENSITY OF THE FUEL MIX THAT**
20 **GENERATED THOSE KILOWATT-HOURS OF ELECTRICITY, WHETHER THE**
21 **GENERATION SOURCES ARE IN-STATE OR OUT-OF-STATE.**

22 **(II) THE RETAIL ELECTRICITY SUPPLIER SHALL DETERMINE**
23 **THE CARBON INTENSITY OF THE FUEL MIX USING THE U.S. ENERGY INFORMATION**
24 **ADMINISTRATION'S CARBON DIOXIDE EMISSIONS FACTORS FOR EACH FUEL.**

25 **(III) THE ELECTRICITY SUPPLIER SHALL DEDUCT FROM THE FEE**
26 **CALCULATED UNDER SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH AN AMOUNT**
27 **EQUAL TO THE NET AMOUNT THE ELECTRICITY SUPPLIER PAID FOR THE SAME YEAR**
28 **FOR REGIONAL GREENHOUSE GAS INITIATIVE ALLOWANCES RELATED TO**
29 **ELECTRICITY SOLD IN THE STATE.**

30 **(IV) THE AMOUNT DEDUCTED UNDER SUBPARAGRAPH (III) OF**
31 **THIS PARAGRAPH MAY NOT EXCEED THE TOTAL AMOUNT OF THE FEE CALCULATED**
32 **UNDER SUBPARAGRAPH (I) AND (II) OF THIS PARAGRAPH.**

33 **(3) AN ELECTRICITY SUPPLIER SHALL:**

1 (I) PAY THE FEE AT LEAST QUARTERLY; AND

2 (II) RECONCILE ANNUAL FEES PAID AT LEAST ONCE EACH
3 YEAR.

4 (F) (1) ON OR BEFORE OCTOBER 1 EACH YEAR, EACH ELECTRICITY
5 SUPPLIER SHALL FILE WITH THE COMMISSION THE RESULT OF ITS PROPOSED
6 CALCULATION FOR THE YEAR BEGINNING THE FOLLOWING JANUARY 1.

7 (2) THE FILING MUST INCLUDE SUFFICIENT SUPPORTING DATA TO
8 ENABLE THE COMMISSION TO DETERMINE WHETHER THE CALCULATION BY THE
9 ELECTRICITY SUPPLIER WAS MADE FULLY IN ACCORDANCE WITH SUBSECTION (E)
10 OF THIS SECTION.

11 (3) (I) ON RECEIPT OF THE FILING, THE COMMISSION SHALL OPEN
12 A DOCKET.

13 (II) THE SOLE PURPOSE OF THE DOCKET SHALL BE FOR THE
14 COMMISSION TO DETERMINE WHETHER THE CALCULATION BY THE ELECTRICITY
15 SUPPLIER WAS MADE FULLY IN ACCORDANCE WITH SUBSECTION (E) OF THIS
16 SECTION.

17 (III) IF THE COMMISSION DETERMINES THAT THE CALCULATION
18 BY THE ELECTRICITY SUPPLIER WAS MADE FULLY IN ACCORDANCE WITH
19 SUBSECTION (E) OF THIS SECTION, THE COMMISSION SHALL, NOT LATER THAN
20 NOVEMBER 15 OF THE SAME YEAR, ISSUE AN ORDER APPROVING THE
21 CALCULATION.

22 (IV) 1. IF THE COMMISSION DETERMINES THAT THE
23 CALCULATION BY THE ELECTRICITY SUPPLIER DOES NOT FULLY COMPLY WITH
24 SUBSECTION (E) OF THIS SECTION:

25 A. THE COMMISSION SHALL ISSUE AN ORDER STATING
26 CLEARLY THE ERRORS THAT THE ELECTRICITY SUPPLIER MADE; AND

27 B. THE ELECTRICITY SUPPLIER SHALL HAVE 21 DAYS TO
28 MAKE A COMPLIANCE FILING WITH THE COMMISSION CORRECTING THE ERRORS
29 IDENTIFIED IN THE COMMISSION'S ORDER.

30 2. IF AN ELECTRICITY SUPPLIER FAILS TO MAKE A
31 COMPLIANCE FILING AS REQUIRED BY THE COMMISSION, THE COMMISSION SHALL
32 ISSUE AN ORDER ESTABLISHING THE CALCULATION THAT THE ELECTRICITY

1 SUPPLIER MUST USE FOR THE FOLLOWING CALENDAR YEAR.

2 (G) (1) ANY PERSON THAT GENERATES MORE THAN 25,000
3 KILOWATT-HOURS OF ON-SITE GENERATED ELECTRICITY USING ANY COMBINATION
4 OF ONE OR MORE FOSSIL FUELS MUST PAY A FEE UNDER SUBSECTION (E) OF THIS
5 SECTION BASED ON THE RELATIVE MIX OF FUELS AND THE U.S. ENERGY
6 INFORMATION ADMINISTRATION'S CARBON DIOXIDE EMISSIONS FACTOR FOR EACH
7 FUEL.

8 (2) ANY FEE ALREADY PAID ON THE FUEL UNDER THIS SECTION
9 SHALL BE DEDUCTED FROM THE FEE THAT WOULD OTHERWISE BE DUE UNDER THIS
10 SUBSECTION.

11 (H) (1) A LOCAL DISTRIBUTION COMPANY FOR NATURAL GAS SHALL PAY
12 THE FEE FOR ALL NATURAL GAS THAT THE COMPANY DISTRIBUTES FOR
13 COMBUSTION IN THE STATE.

14 (2) THE FEE UNDER THIS SUBSECTION SHALL BE CALCULATED BY
15 MULTIPLYING THE NUMBER OF CUBIC FEET OF NATURAL GAS USED BY EACH
16 CUSTOMER BY THE AMOUNT OF CARBON DIOXIDE EQUIVALENTS RELEASED BY
17 BURNING 1 CUBIC FOOT OF NATURAL GAS, AS THAT VALUE IS DETERMINED BY THE
18 U.S. ENERGY INFORMATION ADMINISTRATION.

19 (I) SUBJECT TO § 2-1226 OF THIS SUBTITLE, THE SECRETARY SHALL
20 DETERMINE THE AMOUNT OF EMISSIONS, AS CARBON DIOXIDE EQUIVALENTS, FROM
21 ESCAPED OR INTENTIONALLY RELEASED METHANE DUE TO THE EXTRACTION,
22 PROCESSING, TRANSPORT, OR DISTRIBUTION OF NATURAL GAS BEFORE THE POINT
23 OF COMBUSTION IN THE STATE, AND MAY ADD AN ADDITIONAL FEE TO THE FEE FOR
24 ALL NATURAL GAS OR NATURAL GAS-BASED ELECTRICITY.

25 (J) (1) UNITS OF GOVERNMENT WHOSE PRIMARY PURPOSE IS TO
26 PROVIDE PUBLIC TRANSPORTATION BY BUS, VAN, RAIL, OR OTHER MEANS THAT
27 REDUCE THE AMOUNT OF DRIVING BY PRIVATE MOTOR VEHICLES SHALL BE EXEMPT
28 FROM GREENHOUSE GAS POLLUTION FEES UNDER THIS PART.

29 (2) IF AN EXEMPTION FOR A UNIT UNDER PARAGRAPH (1) OF THIS
30 SUBSECTION IS NOT FEASIBLE, THE UNIT SHALL BE FULLY REIMBURSED FOR ITS
31 INCREASED COSTS UNDER THIS PART FROM THE BENEFIT FUND.

32 (K) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE COLLECTION OF
33 THE FEE UNDER THIS SECTION SHALL BEGIN ON THE ADOPTION OF ALL NECESSARY
34 RULES FOR ITS COLLECTION, BUT NOT LATER THAN JANUARY 1, 2022, FOR
35 EMISSIONS OCCURRING IN THE LAST 6 MONTHS OF 2021.

1 (L) THE FEES COLLECTED UNDER THIS SECTION SHALL BE PAID INTO THE
2 KIRWAN FUND, THE INFRASTRUCTURE FUND, AND THE BENEFIT FUND IN
3 ACCORDANCE WITH THIS PART.

4 (M) (1) USING THE BEST INFORMATION AND SCIENCE REASONABLY
5 AVAILABLE, THE SECRETARY SHALL DETERMINE WHETHER TO IDENTIFY ANY
6 GREENHOUSE GAS-EMITTING SUBSTANCE OR SOURCE, IN ADDITION TO NATURAL
7 GAS, PETROLEUM, COAL, AND THEIR DERIVATIVES, AS BEING A FOSSIL FUEL
8 SUBJECT TO THE FEE UNDER THIS PART.

9 (2) EMISSIONS FROM FARM ANIMALS AND CROPS MAY NOT BE
10 DESIGNATED AS SUBJECT TO THE FEE UNDER THIS PART.

11 (N) (1) WITHIN 3 YEARS AFTER THE FEES AND BENEFITS UNDER THIS
12 PART TAKE EFFECT, AND EVERY 2 YEARS THEREAFTER, THE SECRETARY, IN
13 CONSULTATION WITH THE COUNCIL, SHALL SUBMIT A REPORT TO THE GOVERNOR
14 AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE
15 GENERAL ASSEMBLY.

16 (2) THE REPORT SHALL TAKE INTO CONSIDERATION WHETHER ANY
17 INCREASES OR DECREASES IN GREENHOUSE GAS POLLUTION FEES ARE
18 RECOMMENDED TO:

19 (I) ACCOUNT FOR INFLATION;

20 (II) ADDRESS LIFE CYCLE EMISSIONS AND FUGITIVE EMISSIONS
21 ISSUES;

22 (III) ENSURE PROGRESS TOWARD REACHING EMISSIONS LIMITS
23 UNDER § 2-1216 OF THIS SUBTITLE, PART I OF THIS SUBTITLE, AND SUBTITLE 10
24 OF THIS TITLE; AND

25 (IV) MITIGATE SERIOUS HARM TO ECONOMIC SECTORS,
26 ECONOMIC SUBSECTORS, OR INDIVIDUAL ENERGY-INTENSIVE TRADE-EXPOSED
27 EMPLOYERS IN THE STATE CAUSED BY COLLECTION OF GREENHOUSE GAS
28 POLLUTION FEES UNDER THIS PART.

29 (O) NOTWITHSTANDING ANY OTHER LAW, THE FEES AUTHORIZED UNDER
30 THIS SECTION MAY NOT BE IMPOSED ON ANY GREENHOUSE GAS-PRODUCING
31 SUBSTANCE IF THE IMPOSITION IS SUPERSEDED BY FEDERAL LAW OR REGULATION.

32 2-1220.

1 (A) REVENUES FROM GREENHOUSE GAS POLLUTION FEES UNDER THIS
2 PART SHALL BE DISTRIBUTED TO THE KIRWAN FUND, THE BENEFIT FUND, AND THE
3 INFRASTRUCTURE FUND IN ACCORDANCE WITH THIS SECTION.

4 (B) FROM THE REVENUES GENERATED BY THE FEES ON GREENHOUSE GAS
5 EMISSIONS FROM FOSSIL FUELS, \$350,000,000 SHALL BE DISTRIBUTED EACH
6 FISCAL YEAR TO THE KIRWAN FUND SOLELY FOR THE USE OF THE KIRWAN
7 INITIATIVE.

8 (C) THE LESSER OF 50% OF THE REVENUES GENERATED BY THE FEE, OR
9 ALL THE REVENUES REMAINING AFTER THE DISTRIBUTION TO THE KIRWAN FUND
10 UNDER SUBSECTION (B) OF THIS SECTION, SHALL BE DISTRIBUTED EACH YEAR TO
11 THE BENEFIT FUND FOR THE PURPOSE OF PROVIDING BENEFITS TO HOUSEHOLDS
12 AND EMPLOYERS IN ACCORDANCE WITH § 2-1222 OF THIS SUBTITLE.

13 (D) ANY REVENUES THAT REMAIN AFTER THE DISTRIBUTIONS UNDER
14 SUBSECTIONS (B) AND (C) OF THIS SECTION SHALL BE DISTRIBUTED EACH YEAR TO
15 THE INFRASTRUCTURE FUND.

16 2-1221.

17 (A) THERE IS A KIRWAN INITIATIVE FUND.

18 (B) THE PURPOSE OF THE KIRWAN FUND IS TO SUPPORT EDUCATION IN
19 THE STATE UNDER LEGISLATION AND REGULATIONS THAT IMPLEMENT THE
20 RECOMMENDATIONS OF THE COMMISSION ON INNOVATION AND EXCELLENCE IN
21 EDUCATION, COMMONLY KNOWN AS THE “KIRWAN INITIATIVE”.

22 (C) THE DEPARTMENT SHALL ADMINISTER THE KIRWAN FUND IN
23 CONSULTATION WITH THE STATE DEPARTMENT OF EDUCATION.

24 (D) (1) THE KIRWAN FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
25 SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND
26 PROCUREMENT ARTICLE.

27 (2) THE STATE TREASURER SHALL HOLD THE KIRWAN FUND
28 SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE KIRWAN FUND.

29 (E) THE KIRWAN FUND CONSISTS OF:

30 (1) PROCEEDS OF THE GREENHOUSE GAS POLLUTION FEES
31 COLLECTED UNDER THIS PART AND DISTRIBUTED UNDER § 2-1220(B) OF THIS

1 SUBTITLE;

2 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE KIRWAN
3 FUND; AND

4 (3) ANY OTHER MONEY FROM ANY SOURCE ACCEPTED FOR THE
5 BENEFIT OF THE KIRWAN FUND.

6 (F) THE KIRWAN FUND MAY BE USED ONLY FOR:

7 (1) PURPOSES AUTHORIZED UNDER THIS SECTION; AND

8 (2) ADMINISTRATION OF THE KIRWAN FUND, NOT TO EXCEED 5% OF
9 THE MONEY IN THE KIRWAN FUND.

10 (G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE
11 KIRWAN FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

12 (2) ANY INTEREST EARNINGS OF THE KIRWAN FUND SHALL BE
13 CREDITED TO THE KIRWAN FUND.

14 2-1222.

15 (A) THERE IS A HOUSEHOLD AND EMPLOYER BENEFIT FUND.

16 (B) THE PURPOSES OF THE BENEFIT FUND ARE TO:

17 (1) PROVIDE A HIGH DEGREE OF PROTECTION FOR LOW- AND
18 MODERATE-INCOME HOUSEHOLDS IN THE STATE; AND

19 (2) PROTECT ENERGY-INTENSIVE TRADE-EXPOSED EMPLOYERS IN
20 THE STATE.

21 (C) THE SECRETARY SHALL ADMINISTER THE BENEFIT FUND.

22 (D) (1) THE BENEFIT FUND IS A SPECIAL, NONLAPSING FUND THAT IS
23 NOT SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND
24 PROCUREMENT ARTICLE.

25 (2) THE STATE TREASURER SHALL HOLD THE BENEFIT FUND
26 SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE BENEFIT FUND.

27 (E) THE BENEFIT FUND CONSISTS OF:

1 **(1) PROCEEDS OF FEES DISTRIBUTED TO THE BENEFIT FUND UNDER**
2 **§ 2-1220(C) OF THIS SUBTITLE;**

3 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE BENEFIT**
4 **FUND; AND**

5 **(3) ANY OTHER MONEY FROM ANY SOURCE ACCEPTED FOR THE**
6 **BENEFIT OF THE BENEFIT FUND.**

7 **(F) THE BENEFIT FUND MAY BE USED ONLY FOR:**

8 **(1) PAYMENT OF BENEFITS UNDER THIS SECTION; AND**

9 **(2) ADMINISTRATION OF THE BENEFIT FUND, NOT TO EXCEED 5% OF**
10 **THE MONEY IN THE BENEFIT FUND.**

11 **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**
12 **BENEFIT FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

13 **(2) ANY INTEREST EARNINGS OF THE BENEFIT FUND SHALL BE**
14 **CREDITED TO THE BENEFIT FUND.**

15 **(H) IN THE BENEFIT FUND THERE ARE THE FOLLOWING SEPARATE**
16 **ACCOUNTS:**

17 **(1) THE HOUSEHOLD BENEFIT ACCOUNT, WHICH CONSISTS OF 80%**
18 **OF THE MONEY IN THE BENEFIT FUND; AND**

19 **(2) THE EMPLOYER BENEFIT ACCOUNT, WHICH CONSISTS OF 20% OF**
20 **THE MONEY IN THE BENEFIT FUND.**

21 **(I) (1) (I) MONEY IN THE HOUSEHOLD BENEFIT ACCOUNT SHALL BE**
22 **DISTRIBUTED AS BENEFITS IN ACCORDANCE WITH THIS SUBSECTION.**

23 **(II) 1. ONE-HALF SHALL BE DISTRIBUTED TO HOUSEHOLDS**
24 **IN QUINTILE 1.**

25 **2. ONE-THIRD SHALL BE DISTRIBUTED TO**
26 **HOUSEHOLDS IN QUINTILE 2.**

27 **3. ONE-SIXTH SHALL BE DISTRIBUTED TO HOUSEHOLDS**
28 **IN QUINTILE 3.**

1 (III) 1. IF THE QUINTILE 1 DISTRIBUTION IS NOT SUFFICIENT
2 TO ENSURE THAT NO QUINTILE 1 HOUSEHOLD PAYS MORE IN FEES THAN IT
3 RECEIVES IN BENEFITS, THE QUINTILE 1 DISTRIBUTION SHALL BE INCREASED TO
4 ENSURE THAT THIS REQUIREMENT IS MET.

5 2. IF THE DISTRIBUTION TO QUINTILE 1 IS GREATER
6 THAN ONE-HALF, TWO-THIRDS OF THE FEES REMAINING IN THE HOUSEHOLD
7 BENEFIT ACCOUNT AFTER DISTRIBUTION TO QUINTILE 1 SHALL BE DISTRIBUTED
8 TO QUINTILE 2 AND ONE-THIRD TO QUINTILE 3.

9 (2) (I) EACH QUINTILE'S TOTAL DISTRIBUTION AMOUNT SHALL BE
10 DIVIDED BY THE SUM OF THE ADULT RESIDENTS IN THAT QUINTILE PLUS ONE-HALF
11 OF THE MINOR RESIDENTS IN THAT QUINTILE, TO PRODUCE THAT QUINTILE'S
12 INITIAL BENEFIT.

13 (II) EACH HOUSEHOLD IN A QUINTILE SHALL RECEIVE A
14 BENEFIT EQUAL TO THAT QUINTILE'S INITIAL BENEFIT TIMES THE SUM OF THE
15 NUMBER OF ADULT RESIDENTS IN THE HOUSEHOLD AND ONE-HALF OF THE NUMBER
16 OF MINOR RESIDENTS IN THE HOUSEHOLD.

17 (3) ANY MONEY REMAINING IN THE HOUSEHOLD BENEFIT ACCOUNT
18 AFTER THE DISTRIBUTION OF MONEY IN ACCORDANCE WITH PARAGRAPH (1) OF
19 THIS SUBSECTION SHALL BE DEPOSITED IN THE INFRASTRUCTURE FUND.

20 (4) IN PROVIDING BENEFITS FROM FEE PROCEEDS FROM THE
21 HOUSEHOLD BENEFIT ACCOUNT, THE SECRETARY SHALL COORDINATE WITH THE
22 COMPTROLLER, THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT,
23 THE DEPARTMENT OF HUMAN SERVICES, AND OTHER UNITS IN MAKING ALL
24 REASONABLE EFFORTS TO IDENTIFY THE NAMES AND ADDRESSES OF ALL
25 RESIDENTS, WITH SPECIAL ATTENTION TO THE NAMES AND ADDRESSES OF
26 LOW-INCOME RESIDENTS, SO THAT THEY CAN RECEIVE BENEFITS EXPEDITIOUSLY.

27 (5) MONEY DISTRIBUTED FROM THE HOUSEHOLD BENEFIT
28 ACCOUNT:

29 (I) MAY NOT BE INCLUDED IN TAXABLE INCOME FOR
30 PURPOSES OF ANY STATE OR LOCAL INCOME TAX; AND

31 (II) SHALL, TO THE EXTENT FEASIBLE, BE EXCLUDED FROM
32 HOUSEHOLD INCOME FOR PURPOSES OF DETERMINING ELIGIBILITY FOR, OR THE
33 LEVEL OF, ANY FORM OF PUBLIC ASSISTANCE.

1 **(J) (1) MONEY IN THE EMPLOYER BENEFIT ACCOUNT SHALL BE**
2 **DISTRIBUTED IN ACCORDANCE WITH THIS SUBSECTION.**

3 **(2) THE SECRETARY SHALL USE THE MONEY IN THE EMPLOYER**
4 **BENEFIT ACCOUNT TO PROVIDE BENEFITS TO EMPLOYERS.**

5 **(3) (I) THE SECRETARY, IN CONSULTATION WITH THE SECRETARY**
6 **OF COMMERCE, THE SECRETARY OF LABOR, AND THE SECRETARY OF HOUSING AND**
7 **COMMUNITY DEVELOPMENT, SHALL, WITH SPECIAL ATTENTION TO**
8 **MANUFACTURING AND AGRICULTURE, IDENTIFY ECONOMIC SECTORS OR ECONOMIC**
9 **SUBSECTORS THAT ARE ENERGY-INTENSIVE AND TRADE-EXPOSED.**

10 **(II) THE SECRETARY SHALL, AS MITIGATION, CALCULATE THE**
11 **TOTAL PROCEEDS COLLECTED FROM THESE SECTORS OR SUBSECTORS AND MAY**
12 **APPORTION PART OR ALL OF THE PROCEEDS TO THE AFFECTED SECTOR OR**
13 **SUBSECTOR.**

14 **(4) MONEY REMAINING IN THE EMPLOYER BENEFIT ACCOUNT**
15 **AFTER DISTRIBUTIONS UNDER PARAGRAPH (3) OF THIS SUBSECTION ARE**
16 **CALCULATED SHALL BE DEPOSITED IN THE INFRASTRUCTURE FUND.**

17 **(K) (1) THE SECRETARY SHALL CONSIDER ALTERNATIVE CALENDAR**
18 **SCHEDULES FOR DISTRIBUTION OF THE BENEFITS AUTHORIZED UNDER THIS**
19 **SECTION, INCLUDING PARTIAL OR WHOLE DISTRIBUTIONS EARLY IN THE RELEVANT**
20 **REVENUE CYCLE AND ON A REGULAR BASIS THROUGHOUT THE REVENUE CYCLE.**

21 **(2) THE METHOD AND SCHEDULE OF DISTRIBUTION OF BENEFITS**
22 **SHALL TAKE INTO ACCOUNT:**

23 **(I) THE NEEDS OF RESIDENTS AND EMPLOYERS,**
24 **PARTICULARLY LOW-INCOME HOUSEHOLDS, TO OBTAIN BENEFITS**
25 **CORRESPONDING TO THE TIME SCHEDULE WHEN THEY WILL BE PAYING**
26 **GREENHOUSE GAS POLLUTION FEES;**

27 **(II) THE NEED TO MAKE CLEAR TO RESIDENTS AND EMPLOYERS**
28 **THAT THEY ARE RECEIVING A BENEFIT OF GREENHOUSE GAS POLLUTION FEES THAT**
29 **IS SEPARATE FROM OTHER TRANSACTIONS THEY MAY HAVE WITH THE STATE; AND**

30 **(III) THE NEED TO MINIMIZE THE ADMINISTRATIVE COSTS OF**
31 **THE INITIATIVE.**

32 **(L) HOUSEHOLDS AND EMPLOYERS MAY OPT TO RECEIVE A PORTION OR**
33 **ALL OF THEIR BENEFITS ON THEIR UTILITY BILLS.**

1 (M) THE SECRETARY MAY ISSUE ADDITIONAL BENEFITS OR DECLARE
2 EXEMPTIONS FROM FEES IN INSTANCES WHERE FEES HAVE BEEN PAID BUT NO
3 EMISSIONS HAVE OCCURRED OR ARE ANTICIPATED TO OCCUR.

4 2-1223.

5 (A) THERE IS A CLIMATE CRISIS INFRASTRUCTURE FUND.

6 (B) (1) THE PURPOSE OF THE INFRASTRUCTURE FUND IS TO INVEST IN
7 INITIATIVES THAT IMPROVE THE HEALTH AND WELFARE OF THE CITIZENS OF THE
8 STATE BY:

9 (I) EXPANDING THE USE OF CLEAN ENERGY SOURCES AND
10 ENERGY EFFICIENCY IN THE ELECTRICITY AND OTHER ENERGY-CONSUMING
11 SECTORS;

12 (II) CREATING A CLEANER, MORE JUST, AND MORE EFFICIENT
13 TRANSPORTATION SECTOR THROUGHOUT THE STATE;

14 (III) PROVIDING FUNDING FOR RESILIENCY AGAINST CLIMATE
15 CHANGE AND WEATHER EVENTS THAT HAVE AN IMPACT ON THE LIVES OF THE
16 CITIZENS OF THE STATE AND ITS ECONOMY;

17 (IV) SEQUESTERING CARBON IN FORESTS, SOILS, AND
18 WETLANDS; AND

19 (V) PROMOTING A JUST TRANSITION TO CLEAN ENERGY.

20 (2) OF THE MONEY IN THE INFRASTRUCTURE FUND, 30% SHALL BE
21 USED TO BENEFIT LOW- AND MODERATE-INCOME RESIDENTS, WITH PRIORITY
22 GIVEN TO HISTORICALLY POLLUTION-BURDENED AND UNDERSERVED
23 COMMUNITIES, INCLUDING BY PROVIDING ACCESS TO AFFORDABLE RENEWABLE
24 ENERGY, ENERGY EFFICIENCY, PUBLIC TRANSPORTATION, AND ASSISTANCE WITH
25 ADAPTING TO IMPACTS OF SEVERE WEATHER AND CLIMATE CHANGE.

26 (3) WHEREVER FEASIBLE, INVESTMENTS UNDER THIS SECTION
27 SHALL ALSO BE DESIGNED TO CREATE LOCAL ECONOMIC DEVELOPMENT AND
28 EMPLOYMENT IN THE STATE.

29 (C) THE DEPARTMENT, IN CONSULTATION WITH THE COUNCIL, SHALL
30 ADMINISTER THE INFRASTRUCTURE FUND.

1 **(D) (1) THE INFRASTRUCTURE FUND IS A SPECIAL, NONLAPSING FUND**
2 **THAT IS NOT SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND**
3 **PROCUREMENT ARTICLE.**

4 **(2) THE STATE TREASURER SHALL HOLD THE INFRASTRUCTURE**
5 **FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE**
6 **INFRASTRUCTURE FUND.**

7 **(E) THE INFRASTRUCTURE FUND CONSISTS OF:**

8 **(1) PROCEEDS OF FEES DISTRIBUTED TO THE INFRASTRUCTURE**
9 **FUND UNDER § 2-1220(D) OF THIS SUBTITLE;**

10 **(2) ANY EXCESS OF UNSPENT BENEFITS RECEIVED FROM THE**
11 **BENEFIT FUND UNDER § 2-1222(I)(3) AND (J)(4) OF THIS SUBTITLE;**

12 **(3) PROCEEDS OF MOTOR VEHICLE FEES COLLECTED UNDER §**
13 **2-1224 OF THIS SUBTITLE;**

14 **(4) MONEY APPROPRIATED IN THE STATE BUDGET TO THE**
15 **INFRASTRUCTURE FUND; AND**

16 **(5) ANY OTHER MONEY FROM ANY SOURCE ACCEPTED FOR THE**
17 **BENEFIT OF THE INFRASTRUCTURE FUND.**

18 **(F) THE INFRASTRUCTURE FUND MAY BE USED ONLY FOR:**

19 **(1) PURPOSES AUTHORIZED UNDER THIS SECTION AND §**
20 **2-1224(F)(2) OF THIS SUBTITLE; AND**

21 **(2) ADMINISTRATION OF THE INFRASTRUCTURE FUND, NOT TO**
22 **EXCEED 5% OF THE MONEY IN THE INFRASTRUCTURE FUND.**

23 **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**
24 **INFRASTRUCTURE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE**
25 **INVESTED.**

26 **(2) ANY INTEREST EARNINGS OF THE INFRASTRUCTURE FUND SHALL**
27 **BE CREDITED TO THE INFRASTRUCTURE FUND.**

28 **(H) DISBURSEMENTS FROM THE INFRASTRUCTURE FUND SHALL BE**
29 **AWARDED:**

1 **(1) ON APPROVAL OF THE SECRETARY; AND**

2 **(2) ONLY TO PROJECTS THAT ARE CONSISTENT WITH INVESTMENT**
3 **PRINCIPLES THE SECRETARY ESTABLISHES IN CONSULTATION WITH THE COUNCIL.**

4 **2-1224.**

5 **(A) A FEE SHALL BE CHARGED ON EACH NEW MOTOR VEHICLE SOLD OR**
6 **REGISTERED IN THE STATE WITH A U.S. ENVIRONMENTAL PROTECTION AGENCY**
7 **CARBON DIOXIDE POLLUTION RATING EQUAL TO OR HIGHER THAN THE MINIMUM**
8 **POLLUTION LEVEL.**

9 **(B) THE FEE SHALL BE BASED ON THE RATING BY THE U.S.**
10 **ENVIRONMENTAL PROTECTION AGENCY OF THE CARBON DIOXIDE TAILPIPE**
11 **EXHAUST OF PASSENGER VEHICLES AND LIGHT TRUCKS.**

12 **(C) THE MINIMUM POLLUTION LEVEL SHALL:**

13 **(1) BE 400 GRAMS PER MILE IN 2022; AND**

14 **(2) DECREASE EACH YEAR BY 10 GRAMS PER MILE.**

15 **(D) THE FEE SHALL:**

16 **(1) BE \$1.25 TIMES THE U.S. ENVIRONMENTAL PROTECTION**
17 **AGENCY'S POLLUTION RATING OF THE MOTOR VEHICLE IN 2022; AND**

18 **(2) INCREASE EACH YEAR BY \$0.25 TIMES THE U.S. ENVIRONMENTAL**
19 **PROTECTION AGENCY'S POLLUTION RATING OF THE MOTOR VEHICLE.**

20 **(E) (1) THE FEE MAY NOT BE ASSESSED ON THE FOLLOWING TYPES OF**
21 **MOTOR VEHICLES:**

22 **(I) COMMERCIAL VEHICLES USED FOR TRANSPORTING GOODS;**

23 **(II) AGRICULTURAL VEHICLES;**

24 **(III) PUBLIC TRANSPORTATION VEHICLES;**

25 **(IV) AMBULANCES; AND**

26 **(V) STATE-, COUNTY-, OR MUNICIPALITY-OWNED VEHICLES**
27 **THAT ARE NOT USED STRICTLY AS PASSENGER VEHICLES.**

1 **(2) ON OR BEFORE JULY 1, 2027, THE DEPARTMENT OF**
2 **TRANSPORTATION:**

3 **(I) SHALL REVIEW THE EXEMPTIONS UNDER PARAGRAPH (1)**
4 **OF THIS SUBSECTION; AND**

5 **(II) MAY RECOMMEND TO THE SECRETARY THE MODIFICATION**
6 **OR ELIMINATION OF ANY OF THE EXEMPTIONS.**

7 **(F) REVENUES COLLECTED BY THE FEE ON NEW MOTOR VEHICLES UNDER**
8 **THIS SECTION SHALL BE:**

9 **(1) DEPOSITED IN THE INFRASTRUCTURE FUND; AND**

10 **(2) AS A PRIORITY, USED TO:**

11 **(I) PROVIDE REBATES ON THE SALE OF ELECTRIC VEHICLES;**

12 **(II) PURCHASE ELECTRIC TRANSIT AND SCHOOL BUSES; AND**

13 **(III) EXPAND ELECTRIC VEHICLE INFRASTRUCTURE.**

14 **2-1225.**

15 **(A) THE SECRETARY MAY NOT BE SUBJECT TO PENALTIES OR ACTIONS FOR**
16 **DAMAGES IF THE FEES COLLECTED UNDER THIS PART ARE NOT EQUAL TO THE**
17 **BENEFITS RETURNED UNDER THIS PART.**

18 **(B) THE SECRETARY SHALL MAKE ALL REASONABLE EFFORTS TO RETURN,**
19 **AS BENEFITS TO RESIDENTS AND EMPLOYERS IN THE AGGREGATE, ALL FEES**
20 **COLLECTED BY THE SECRETARY UNDER THIS PART OTHER THAN MONEY DEPOSITED**
21 **IN THE KIRWAN FUND AND THE INFRASTRUCTURE FUND.**

22 **2-1226.**

23 **(A) ON OR BEFORE JULY 1, 2023, THE SECRETARY SHALL STUDY AND**
24 **REPORT ON THE FEASIBILITY OF IMPOSING AND COLLECTING ADDITIONAL**
25 **GREENHOUSE GAS EMISSION FEES ON FUGITIVE EMISSIONS AND INTENTIONAL**
26 **RELEASES OF METHANE FROM NATURAL GAS INFRASTRUCTURE.**

27 **(B) THE REPORT SHALL INCLUDE AN ANALYSIS OF THE FEASIBILITY AND**
28 **EXPENSE OF:**

1 **(1) CALCULATING A REASONABLY ACCURATE CURRENT STATISTICAL**
2 **BASELINE, SPECIFIC TO THE STATE, OF FUGITIVE EMISSIONS AND INTENTIONAL**
3 **RELEASES; AND**

4 **(2) DEVELOPING AND DEPLOYING A MEANS OF CALCULATING**
5 **REASONABLY ACCURATE UPDATES OF PROGRESS OR LACK OF PROGRESS IN**
6 **REDUCING FUGITIVE EMISSIONS AND INTENTIONAL RELEASES.**

7 **(C) THE SECRETARY SHALL SUBMIT THE REPORT, INCLUDING ANY**
8 **RECOMMENDED LEGISLATIVE OR REGULATORY CHANGES, TO THE GOVERNOR AND,**
9 **IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE**
10 **GENERAL ASSEMBLY.**

11 **(D) THE REPORT MAY BE INCLUDED IN THE REPORT REQUIRED UNDER §**
12 **2-1219(N) OF THIS SUBTITLE.**

13 **2-1227.**

14 **THE SECRETARY, IN CONSULTATION WITH THE COMMISSION, THE**
15 **SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, AND THE SECRETARY**
16 **OF HUMAN SERVICES, EACH YEAR SHALL IDENTIFY MEASURES AND PROGRAMS**
17 **BEST CALCULATED TO ENSURE THE PROVISION OF LOW-INCOME ENERGY**
18 **ASSISTANCE AND IMPROVEMENTS IN THE ENERGY EFFICIENCY OF**
19 **RENTER-OCCUPIED DWELLINGS IN THE STATE.**

20 **2-1228.**

21 **THE SECRETARY, IN CONSULTATION WITH THE COMMISSION, SHALL ADOPT**
22 **REGULATIONS TO CARRY OUT THIS PART.**

23 **Article – State Finance and Procurement**

24 **6-226.**

25 (a) (2) (i) Notwithstanding any other provision of law, and unless
26 inconsistent with a federal law, grant agreement, or other federal requirement or with the
27 terms of a gift or settlement agreement, net interest on all State money allocated by the
28 State Treasurer under this section to special funds or accounts, and otherwise entitled to
29 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
30 Fund of the State.

31 (ii) The provisions of subparagraph (i) of this paragraph do not apply
32 to the following funds:

1 121. the Markell Hendricks Youth Crime Prevention and
2 Diversion Parole Fund; [and]

3 122. the Federal Government Shutdown Employee Assistance
4 Loan Fund;

5 **123. THE CLIMATE CRISIS INFRASTRUCTURE FUND;**

6 **124. THE HOUSEHOLD AND EMPLOYER BENEFIT FUND;**

7 **AND**

8 **125. THE KIRWAN INITIATIVE FUND.**

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2020.