

HOUSE BILL 171

M5, C5

(PRE-FILED)

2lr0992
CF 2lr0993

By: **Delegate Fraser-Hidalgo**

Requested: October 28, 2021

Introduced and read first time: January 12, 2022

Assigned to: Economic Matters and Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Climate Crisis and Environmental Justice Act**

3 FOR the purpose of requiring the State to reduce greenhouse gas emissions through various
4 measures, including by altering statewide greenhouse gas emissions reduction
5 requirements, requiring the Department of the Environment to adopt a certain plan
6 for the reduction of statewide greenhouse gas emissions on or before a certain date,
7 establishing a Climate Crisis Initiative in the Department, establishing a Climate
8 Crisis Council to develop a plan to achieve certain emissions reductions, and
9 establishing a greenhouse gas pollution fee on certain fuels; altering the date by
10 which and the frequency with which a certain report must be submitted to the
11 Governor and the General Assembly; requiring a local distribution company for
12 natural gas to pay the fee for all natural gas that the company distributes for
13 combustion in the State; establishing the Household and Employer Benefit Fund as
14 a special, nonlapsing fund for certain purposes; requiring interest earnings of the
15 Benefit Fund to be credited to the Benefit Fund; establishing the Climate Crisis
16 Infrastructure Fund as a special, nonlapsing fund for certain purposes; requiring
17 interest earnings of the Infrastructure Fund to be credited to the Infrastructure
18 Fund; requiring the Commission on Environmental Justice and Sustainable
19 Communities to establish certain criteria for the disbursement and investment of
20 certain money in the Infrastructure Fund; requiring the Secretary of the
21 Environment to prepare certain reports periodically considering certain matters;
22 requiring the Secretary of the Environment, in consultation with the Commission,
23 the Secretary of Housing and Community Development, and the Secretary of Human
24 Services, to identify certain measures and programs that provide low-income energy
25 assistance and energy efficiency improvements for renter-occupied dwellings in
26 consultation with certain units each year; and generally relating to greenhouse gas
27 emissions reductions.

28 BY renumbering

29 Article – Environment

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 Section 2–1201 and 2–1202, respectively
2 to be Section 2–1202 and 2–1201, respectively
3 Annotated Code of Maryland
4 (2013 Replacement Volume and 2021 Supplement)
- 5 BY adding to
6 Article – Environment
7 New part designation “Part I. Statewide Inventory and Emissions Reduction Plan”
8 to immediately precede Section 2–1201; and Section 2–1215 through 2–1225
9 to be under the new part “Part II. Climate Crisis Initiative”
10 Annotated Code of Maryland
11 (2013 Replacement Volume and 2021 Supplement)
- 12 BY repealing and reenacting, without amendments,
13 Article – Environment
14 Section 2–1201 and 2–1202(1) through (5) and (8)
15 Annotated Code of Maryland
16 (2013 Replacement Volume and 2021 Supplement)
17 (As enacted by Section 1 of this Act)
- 18 BY repealing and reenacting, with amendments,
19 Article – Environment
20 Section 2–1204.1, 2–1205, and 2–1211
21 Annotated Code of Maryland
22 (2013 Replacement Volume and 2021 Supplement)
- 23 BY repealing and reenacting, without amendments,
24 Article – State Finance and Procurement
25 Section 6–226(a)(2)(i)
26 Annotated Code of Maryland
27 (2021 Replacement Volume)
- 28 BY repealing and reenacting, with amendments,
29 Article – State Finance and Procurement
30 Section 6–226(a)(2)(ii)144. and 145.
31 Annotated Code of Maryland
32 (2021 Replacement Volume)
- 33 BY adding to
34 Article – State Finance and Procurement
35 Section 6–226(a)(2)(ii)146. and 147.
36 Annotated Code of Maryland
37 (2021 Replacement Volume)
- 38 BY repealing and reenacting, with amendments,
39 Chapter 11 of the Acts of the General Assembly of 2016
40 Section 6

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

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

6 **Article – Environment**

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

8 2–1201.

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

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

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

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

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

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

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

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

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

- 1 (i) The operation of saw mills, grain mills, or feed mills;
- 2 (ii) The operation of machinery and equipment used to extract and
3 process minerals, metals, or earthen materials or by-products that result from the
4 extracting or processing; and
- 5 (iii) Research and development activities.
- 6 (3) “Manufacturing” does not include:
- 7 (i) Activities that are primarily a service;
- 8 (ii) Activities that are intellectual, artistic, or clerical in nature;
- 9 (iii) Public utility services, including gas, electric, water, and steam
10 production services; or
- 11 (iv) Any other activity that would not commonly be considered as
12 manufacturing.

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

18 2-1202.

19 The General Assembly finds that:

- 20 (1) Greenhouse gases are air pollutants that threaten to endanger the
21 public health and welfare of the people of Maryland;
- 22 (2) Global warming poses a serious threat to the State’s future health,
23 well-being, and prosperity;
- 24 (3) With 3,100 miles of tidally influenced shoreline, Maryland is vulnerable
25 to the threat posed by global warming and susceptible to rising sea levels and flooding,
26 which would have detrimental and costly effects;
- 27 (4) The State has the ingenuity to reduce the threat of global warming and
28 make greenhouse gas reductions a part of the State’s future by achieving a 25% reduction
29 in greenhouse gas emissions from 2006 levels by 2020 and by preparing a plan to meet a
30 longer-term goal of reducing greenhouse gas emissions by up to 90% from 2006 levels by
31 2050 in a manner that promotes new “green” jobs, and protects existing jobs and the State’s
32 economic well-being;

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

4 (8) It is necessary to protect the public health, economic well-being, and
5 natural treasures of the State by reducing harmful air pollutants such as greenhouse gas
6 emissions by using practical solutions that are already at the State's disposal;

7 2-1204.1.

8 (A) The State shall reduce statewide greenhouse gas emissions by [40%]:

9 (1) 60% from 2006 levels by 2030; AND

10 (2) 100% FROM 2006 LEVELS BY 2040.

11 (B) AFTER 2040, STATEWIDE GREENHOUSE GAS EMISSIONS SHALL BE NET
12 NEGATIVE.

13 2-1205.

14 (a) The State shall develop plans, adopt regulations, and implement programs
15 that reduce statewide greenhouse gas emissions in accordance with this subtitle.

16 (b) On or before December 31, 2018, the Department shall:

17 (1) Submit a proposed plan that reduces statewide greenhouse gas
18 emissions by 40% from 2006 levels by 2030 to the Governor and General Assembly;

19 (2) Make the proposed plan available to the public; and

20 (3) Convene a series of public workshops to provide interested parties with
21 an opportunity to comment on the proposed plan.

22 (c) (1) The Department shall, on or before December 31, 2012, adopt a final
23 plan that reduces statewide greenhouse gas emissions by 25% from 2006 levels by 2020.

24 (2) The Department shall, on or before [December 31, 2019] **DECEMBER**
25 **31, 2022**, adopt a final plan that reduces statewide greenhouse gas emissions by [40%]
26 **60%** from 2006 levels by 2030.

27 (3) The plans shall be developed in recognition of the finding by the
28 Intergovernmental Panel on Climate Change that developed countries will need to reduce
29 greenhouse gas emissions by between 80% and 95% from 1990 levels by 2050.

1 (d) The final plans required under subsection (c) of this section shall include:

2 (1) Adopted regulations that implement all plan measures for which State
3 agencies have existing statutory authority; and

4 (2) A summary of any new legislative authority needed to fully implement
5 the plans and a timeline for seeking legislative authority.

6 (e) In developing and adopting a final plan to reduce statewide greenhouse gas
7 emissions, the Department shall consult with State and local agencies as appropriate.

8 (f) (1) Unless required by federal law or regulations or existing State law,
9 regulations adopted by State agencies to implement a final plan may not:

10 (i) Require greenhouse gas emissions reductions from the State's
11 manufacturing sector; or

12 (ii) Cause a significant increase in costs to the State's manufacturing
13 sector.

14 (2) Paragraph (1) of this subsection may not be construed to exempt
15 greenhouse gas emissions sources in the State's manufacturing sector from the obligation
16 to comply with:

17 (i) Greenhouse gas emissions monitoring, recordkeeping, and
18 reporting requirements for which the Department had existing authority under § 2-301(a)
19 of this title on or before October 1, 2009; or

20 (ii) Greenhouse gas emissions reductions required of the
21 manufacturing sector as a result of the State's implementation of the Regional Greenhouse
22 Gas Initiative.

23 (g) A regulation adopted by a State agency for the purpose of reducing greenhouse
24 gas emissions in accordance with this section may not be construed to result in a significant
25 increase in costs to the State's manufacturing sector unless the source would not incur the
26 cost increase but for the new regulation.

27 2-1211.

28 The Department shall monitor implementation of the plans required under § 2-1205
29 of this subtitle and shall submit a report, on or before [October 1, 2022] **DECEMBER 31,**
30 **2022**, and every [5] **3** years thereafter, to the Governor and, in accordance with § 2-1257
31 of the State Government Article, the General Assembly that describes the State's progress
32 toward achieving:

33 (1) The reductions in greenhouse gas emissions required under this
34 subtitle, or any revisions conducted in accordance with § 2-1210 of this subtitle; and

1 (2) The greenhouse gas emissions reductions needed by 2050 in order to
2 avoid dangerous anthropogenic changes to the Earth's climate system, based on the
3 predominant view of the scientific community at the time of the latest report.

4 **2-1213. RESERVED.**

5 **2-1214. RESERVED.**

6 **PART II. CLIMATE CRISIS INITIATIVE.**

7 **2-1215.**

8 **(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS**
9 **INDICATED.**

10 **(B) "ADMINISTRATION" MEANS THE MARYLAND ENERGY**
11 **ADMINISTRATION.**

12 **(C) "ADULT RESIDENT" MEANS A RESIDENT OF THE STATE WHO IS AT LEAST**
13 **18 YEARS OLD.**

14 **(D) "BENEFIT FUND" MEANS THE HOUSEHOLD AND EMPLOYER BENEFIT**
15 **FUND ESTABLISHED UNDER § 2-1221 OF THIS SUBTITLE.**

16 **(E) "COMMISSION" MEANS THE PUBLIC SERVICE COMMISSION.**

17 **(F) "COUNCIL" MEANS THE CLIMATE CRISIS COUNCIL ESTABLISHED**
18 **UNDER § 2-1217 OF THIS SUBTITLE.**

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

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

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

6 (K) "INFRASTRUCTURE FUND" MEANS THE CLIMATE CRISIS
7 INFRASTRUCTURE FUND ESTABLISHED UNDER § 2-1222 OF THIS SUBTITLE.

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

10 (M) (1) "LIFE-CYCLE EMISSIONS" MEANS GREENHOUSE GAS EMISSIONS
11 THAT ARE RELEASED DURING PHASES OF A FUEL OR OTHER PRODUCT'S LIFE.

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

15 (N) "MINOR RESIDENT" MEANS A RESIDENT OF THE STATE WHO IS UNDER
16 THE AGE OF 18 YEARS.

17 (O) "QUINTILE 1" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
18 INCOMES THROUGH THE 20TH PERCENTILE OF ALL HOUSEHOLDS IN THE STATE.

19 (P) "QUINTILE 2" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
20 INCOMES ABOVE THE 20TH PERCENTILE THROUGH THE 40TH PERCENTILE OF ALL
21 HOUSEHOLDS IN THE STATE.

22 (Q) "QUINTILE 3" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
23 INCOMES ABOVE THE 40TH PERCENTILE THROUGH THE 60TH PERCENTILE OF ALL
24 HOUSEHOLDS IN THE STATE.

25 (R) "QUINTILE 4" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
26 INCOMES ABOVE THE 60TH PERCENTILE THROUGH THE 80TH PERCENTILE OF ALL
27 HOUSEHOLDS IN THE STATE.

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

30 2-1216.

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

2 (B) THE INITIATIVE PROVIDES FOR:

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

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

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

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

8 (5) THE FUNDING OF ACTIVITIES FOR GREENHOUSE GAS REDUCTION
9 AND SEQUESTRATION, IMPROVEMENTS IN RESILIENCY, AND THE PROMOTION OF A
10 JUST ECONOMIC TRANSITION IN THE STATE.

11 2-1217.

12 (A) THERE IS A CLIMATE CRISIS COUNCIL.

13 (B) THE COUNCIL CONSISTS OF THE FOLLOWING MEMBERS:

14 (1) ONE MEMBER OF THE SENATE OF MARYLAND, SELECTED BY THE
15 PRESIDENT OF THE SENATE;

16 (2) ONE MEMBER OF THE HOUSE OF DELEGATES, SELECTED BY THE
17 SPEAKER OF THE HOUSE; AND

18 (3) EXPERTS IN THE FIELDS OF ECONOMICS, ENVIRONMENTAL
19 SCIENCE, AND ENVIRONMENTAL JUSTICE, AND OTHERS AS NEEDED, APPOINTED
20 JOINTLY BY THE PRESIDENT AND THE SPEAKER.

21 (C) (1) THE SECRETARY, IN COORDINATION WITH THE COUNCIL, SHALL
22 DEVELOP A PLAN TO ACHIEVE THE REDUCTION TARGETS SET OUT IN § 2-1204.1 OF
23 THIS SUBTITLE.

24 (2) THE PLAN:

25 (I) SHALL INCLUDE POLICIES TO MITIGATE INEQUITIES THAT
26 COULD ARISE FROM THE IMPLEMENTATION OF THE PLAN; AND

27 (II) MAY RECOMMEND AMENDMENTS TO THE FEE, BENEFIT

1 **FUND, AND INFRASTRUCTURE FUND ESTABLISHED UNDER §§ 2-1219 THROUGH**
2 **2-1222 OF THIS SUBTITLE IF:**

3 1. **LOW- AND MODERATE-INCOME HOUSEHOLDS AND**
4 **ENERGY-INTENSIVE, TRADE-EXPOSED EMPLOYERS ARE REASONABLY PROTECTED**
5 **FROM FINANCIAL HARM; AND**

6 2. **THE AMENDMENTS DO NOT DIMINISH THE**
7 **EFFECTIVENESS OF THE FEE, BENEFIT FUND, AND INFRASTRUCTURE FUND AT**
8 **REDUCING EMISSIONS.**

9 **(3) IN DEVELOPING THE PLAN AND ANY AMENDMENTS TO THE PLAN,**
10 **THE SECRETARY SHALL:**

11 **(I) HOLD PERIODIC MEETINGS AT CONVENIENT LOCATIONS**
12 **AND TIMES FOR PUBLIC PARTICIPATION; AND**

13 **(II) PROVIDE A REASONABLE AMOUNT OF TIME IN EACH**
14 **MEETING FOR COMMENTS BY THE PUBLIC.**

15 **(4) BEFORE THE SECRETARY SUBMITS THE PLAN TO THE GENERAL**
16 **ASSEMBLY UNDER SUBSECTION (D) OF THIS SECTION, AN INDEPENDENT AND**
17 **RESPECTED ENTITY MUST VERIFY THROUGH MODELING THAT THE PLAN WILL:**

18 **(I) MEET THE GREENHOUSE GAS REDUCTION TARGETS SET**
19 **OUT IN § 2-1204.1 OF THIS SUBTITLE; AND**

20 **(II) BE EQUITABLE.**

21 **(D) ON OR BEFORE DECEMBER 31, 2022, THE SECRETARY SHALL SUBMIT**
22 **THE PLAN DEVELOPED UNDER SUBSECTION (C) OF THIS SECTION TO THE GENERAL**
23 **ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.**

24 **2-1218.**

25 **(A) THE SECRETARY SHALL ADMINISTER THE SCHEDULES OF GREENHOUSE**
26 **GAS POLLUTION FEES UNDER THIS PART.**

27 **(B) THE SECRETARY SHALL DELEGATE ALL COLLECTION OF GREENHOUSE**
28 **GAS POLLUTION CHARGES, DISTRIBUTION OF BENEFITS, AND ANY OTHER**
29 **APPROPRIATE FUNCTIONS TO THE COMPTROLLER.**

30 **(C) THE COMPTROLLER SHALL CARRY OUT ALL FUNCTIONS THE**

1 SECRETARY DELEGATES TO THE COMPTROLLER UNDER THIS PART.

2 2-1219.

3 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
4 GREENHOUSE GAS POLLUTION FEE SHALL BE COLLECTED ON ALL FOSSIL FUELS
5 BROUGHT INTO THE STATE FOR COMBUSTION IN THE STATE.

6 (2) NOTWITHSTANDING ANY OTHER LAW, A GREENHOUSE GAS
7 POLLUTION FEE MAY NOT BE IMPOSED ON ANY GREENHOUSE GAS-PRODUCING
8 SUBSTANCE:

9 (I) THAT WILL BE USED TO GENERATE ELECTRICITY; OR

10 (II) IF THE IMPOSITION IS SUPERSEDED BY FEDERAL LAW OR
11 REGULATION.

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

14 (1) NONTRANSPORTATION FUELS SHALL:

15 (I) BE \$15 FROM JULY 31, 2022, THROUGH DECEMBER 31,
16 2023;

17 (II) BE \$20 IN 2024;

18 (III) INCREASE BY \$5 EACH YEAR THEREAFTER THROUGH 2031;
19 AND

20 (IV) BE \$60 IN 2032 AND EACH YEAR THEREAFTER; AND

21 (2) TRANSPORTATION FUELS SHALL:

22 (I) BE \$10 FROM JULY 31, 2023, THROUGH DECEMBER 31,
23 2023;

24 (II) BE \$13 IN 2024;

25 (III) INCREASE BY \$3 EACH YEAR THEREAFTER THROUGH 2031;
26 AND

27 (IV) BE \$37 IN 2032 AND EACH YEAR THEREAFTER.

1 **(C) IF THE FEES AND BENEFITS UNDER THIS PART TAKE EFFECT IN A**
2 **CALENDAR YEAR LATER THAN 2023, THE SECRETARY SHALL DELAY THE SCHEDULE**
3 **OF FEES UNDER SUBSECTION (B) OF THIS SECTION BY THE SAME NUMBER OF YEARS.**

4 **(D) (1) THE FEE ON FOSSIL FUELS TO BE COMBUSTED IN THE STATE**
5 **SHALL BE:**

6 **(I) COLLECTED AT THE FOSSIL FUEL'S FIRST POINT OF SALE IN**
7 **THE STATE; AND**

8 **(II) PAID BY THE ENTITY TRANSPORTING THE FOSSIL FUEL**
9 **INTO THE STATE.**

10 **(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE**
11 **ANNUAL TOTAL OF FEES PAID BY AN ENTITY TRANSPORTING PETROLEUM**
12 **PRODUCTS INTO THE STATE UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE**
13 **REDUCED BY AN AMOUNT EQUAL TO THE ANNUAL TOTAL OF EMISSIONS**
14 **COMPLIANCE COST OBLIGATIONS THE PETROLEUM PRODUCT IS SUBJECT TO UNDER**
15 **REGIONAL INITIATIVES, INCLUDING THE TRANSPORTATION AND CLIMATE**
16 **INITIATIVE, FOR THE SAME YEAR.**

17 **(II) THE AMOUNT DEDUCTED UNDER SUBPARAGRAPH (I) OF**
18 **THIS PARAGRAPH MAY NOT EXCEED THE TOTAL AMOUNT OF THE FEE CALCULATED**
19 **UNDER SUBSECTION (B) OF THIS SECTION.**

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

23 1. **AN END USER OF A FOSSIL FUEL; OR**

24 2. **A CUSTOMER OF A GAS COMPANY.**

25 **(II) THIS PARAGRAPH DOES NOT PROHIBIT THE PASSING**
26 **THROUGH TO A CUSTOMER OF A FEE COLLECTED UNDER THIS SECTION ON NATURAL**
27 **GAS DISTRIBUTED BY A GAS COMPANY ONLY TO THE EXTENT THAT THE COMMISSION**
28 **APPROVES THE FEE AS A PRUDENTLY INCURRED COST OF DISTRIBUTION.**

29 **(E) (1) A LOCAL DISTRIBUTION COMPANY FOR NATURAL GAS SHALL PAY**
30 **THE FEE FOR ALL NATURAL GAS THAT THE COMPANY DISTRIBUTES FOR**
31 **COMBUSTION IN THE STATE.**

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

6 **(F) SUBJECT TO § 2-1223 OF THIS SUBTITLE, THE SECRETARY SHALL**
7 **DETERMINE THE AMOUNT OF EMISSIONS, AS CARBON DIOXIDE EQUIVALENTS, FROM**
8 **ESCAPED OR INTENTIONALLY RELEASED METHANE DUE TO THE EXTRACTION,**
9 **PROCESSING, TRANSPORT, OR DISTRIBUTION OF NATURAL GAS BEFORE THE POINT**
10 **OF COMBUSTION IN THE STATE, AND MAY ADD AN ADDITIONAL FEE FOR THESE**
11 **EMISSIONS.**

12 **(G) (1) UNITS OF GOVERNMENT WHOSE PRIMARY PURPOSE IS TO**
13 **PROVIDE PUBLIC TRANSPORTATION BY BUS, VAN, RAIL, OR OTHER MEANS THAT**
14 **REDUCE THE AMOUNT OF DRIVING BY PRIVATE MOTOR VEHICLES SHALL BE EXEMPT**
15 **FROM GREENHOUSE GAS POLLUTION FEES UNDER THIS PART.**

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

19 **(H) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE COLLECTION OF**
20 **THE FEE UNDER THIS SECTION SHALL BEGIN ON THE ADOPTION OF ALL NECESSARY**
21 **RULES FOR ITS COLLECTION, BUT NOT LATER THAN JANUARY 1, 2024, FOR**
22 **EMISSIONS OCCURRING IN THE LAST 6 MONTHS OF 2023.**

23 **(I) THE FEES COLLECTED UNDER THIS SECTION SHALL BE PAID INTO THE**
24 **INFRASTRUCTURE FUND AND THE BENEFIT FUND IN ACCORDANCE WITH THIS**
25 **PART.**

26 **(J) (1) USING THE BEST INFORMATION AND SCIENCE REASONABLY**
27 **AVAILABLE, THE SECRETARY SHALL DETERMINE WHETHER TO IDENTIFY ANY**
28 **GREENHOUSE GAS-EMITTING SUBSTANCE OR SOURCE, IN ADDITION TO NATURAL**
29 **GAS, PETROLEUM, COAL, AND THEIR DERIVATIVES, AS BEING A FOSSIL FUEL**
30 **SUBJECT TO THE FEE UNDER THIS PART.**

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

33 **(K) (1) WITHIN 3 YEARS AFTER THE FEES AND BENEFITS UNDER THIS**
34 **PART TAKE EFFECT, AND EVERY 2 YEARS THEREAFTER, THE SECRETARY, IN**
35 **CONSULTATION WITH THE COUNCIL, SHALL SUBMIT A REPORT TO THE GOVERNOR**

1 AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE
2 GENERAL ASSEMBLY.

3 (2) THE REPORT SHALL TAKE INTO CONSIDERATION WHETHER ANY
4 INCREASES OR DECREASES IN GREENHOUSE GAS POLLUTION FEES ARE
5 RECOMMENDED TO:

6 (I) ACCOUNT FOR INFLATION;

7 (II) ADDRESS LIFE-CYCLE EMISSIONS AND FUGITIVE
8 EMISSIONS ISSUES;

9 (III) ENSURE PROGRESS TOWARD REACHING EMISSIONS LIMITS
10 UNDER § 2-1204.1 OF THIS SUBTITLE AND SUBTITLE 10 OF THIS TITLE; AND

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

15 (3) TO MEET THE STATE'S GREENHOUSE GAS REDUCTION TARGETS
16 UNDER § 2-1204.1 OF THIS SUBTITLE, THE REPORT SHALL INCLUDE
17 RECOMMENDATIONS ON ADDITIONAL EMISSIONS SOURCES TO WHICH THE
18 GREENHOUSE GAS POLLUTION FEE SHOULD APPLY, INCLUDING INDUSTRIAL
19 PROCESS EMISSIONS AND EMISSIONS ASSOCIATED WITH THE GENERATION AND
20 DISTRIBUTION OF ELECTRICITY.

21 2-1220.

22 (A) REVENUES FROM GREENHOUSE GAS POLLUTION FEES UNDER THIS
23 PART SHALL BE DISTRIBUTED TO THE BENEFIT FUND AND THE INFRASTRUCTURE
24 FUND IN ACCORDANCE WITH THIS SECTION.

25 (B) OF THE REVENUES GENERATED BY THE FEE:

26 (1) 50% SHALL BE DISTRIBUTED EACH YEAR TO THE BENEFIT FUND
27 FOR THE PURPOSE OF PROVIDING BENEFITS TO HOUSEHOLDS AND EMPLOYERS IN
28 ACCORDANCE WITH § 2-1221 OF THIS SUBTITLE; AND

29 (2) 50% SHALL BE DISTRIBUTED EACH YEAR TO THE
30 INFRASTRUCTURE FUND.

31 2-1221.

1 **(A) THERE IS A HOUSEHOLD AND EMPLOYER BENEFIT FUND.**

2 **(B) THE PURPOSES OF THE BENEFIT FUND ARE TO:**

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

5 **(2) PROTECT ENERGY-INTENSIVE, TRADE-EXPOSED EMPLOYERS IN**
6 **THE STATE.**

7 **(C) THE SECRETARY SHALL ADMINISTER THE BENEFIT FUND.**

8 **(D) (1) THE BENEFIT FUND IS A SPECIAL, NONLAPSING FUND THAT IS**
9 **NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

10 **(2) THE STATE TREASURER SHALL HOLD THE BENEFIT FUND**
11 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE BENEFIT FUND.**

12 **(E) THE BENEFIT FUND CONSISTS OF:**

13 **(1) PROCEEDS OF FEES DISTRIBUTED TO THE BENEFIT FUND UNDER**
14 **§ 2-1220(B) OF THIS SUBTITLE;**

15 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE BENEFIT**
16 **FUND; AND**

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

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

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

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

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

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

1 **(H) IN THE BENEFIT FUND THERE ARE THE FOLLOWING SEPARATE**
2 **ACCOUNTS:**

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

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

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

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

11 **2. ONE-THIRD SHALL BE DISTRIBUTED TO**
12 **HOUSEHOLDS IN QUINTILE 2.**

13 **3. ONE-SIXTH SHALL BE DISTRIBUTED TO HOUSEHOLDS**
14 **IN QUINTILE 3.**

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

19 **2. IF THE DISTRIBUTION TO QUINTILE 1 IS GREATER**
20 **THAN ONE-HALF, TWO-THIRDS OF THE FEES REMAINING IN THE HOUSEHOLD**
21 **BENEFIT ACCOUNT AFTER DISTRIBUTION TO QUINTILE 1 SHALL BE DISTRIBUTED**
22 **TO QUINTILE 2 AND ONE-THIRD TO QUINTILE 3.**

23 **(2) (I) EACH QUINTILE'S TOTAL DISTRIBUTION AMOUNT SHALL BE**
24 **DIVIDED BY THE SUM OF THE ADULT RESIDENTS IN THAT QUINTILE PLUS ONE-HALF**
25 **OF THE MINOR RESIDENTS IN THAT QUINTILE TO PRODUCE THAT QUINTILE'S**
26 **INITIAL BENEFIT.**

27 **(II) EACH HOUSEHOLD IN A QUINTILE SHALL RECEIVE A**
28 **BENEFIT EQUAL TO THAT QUINTILE'S INITIAL BENEFIT TIMES THE SUM OF THE**
29 **NUMBER OF ADULT RESIDENTS IN THE HOUSEHOLD AND ONE-HALF OF THE NUMBER**
30 **OF MINOR RESIDENTS IN THE HOUSEHOLD.**

31 **(3) ANY MONEY REMAINING IN THE HOUSEHOLD BENEFIT ACCOUNT**
32 **AFTER THE DISTRIBUTION OF MONEY IN ACCORDANCE WITH PARAGRAPH (1) OF**

1 THIS SUBSECTION SHALL BE DEPOSITED IN THE INFRASTRUCTURE FUND.

2 (4) IN PROVIDING BENEFITS FROM FEE PROCEEDS FROM THE
3 HOUSEHOLD BENEFIT ACCOUNT, THE SECRETARY SHALL COORDINATE WITH THE
4 COMPTROLLER, THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT,
5 THE DEPARTMENT OF HUMAN SERVICES, AND OTHER UNITS IN MAKING ALL
6 REASONABLE EFFORTS TO IDENTIFY THE NAMES AND ADDRESSES OF ALL
7 RESIDENTS, WITH SPECIAL ATTENTION TO THE NAMES AND ADDRESSES OF
8 LOW-INCOME RESIDENTS, SO THAT THEY CAN RECEIVE BENEFITS EXPEDITIOUSLY.

9 (5) MONEY DISTRIBUTED FROM THE HOUSEHOLD BENEFIT
10 ACCOUNT:

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

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

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

18 (2) THE SECRETARY SHALL USE THE MONEY IN THE EMPLOYER
19 BENEFIT ACCOUNT TO PROVIDE BENEFITS TO EMPLOYERS.

20 (3) (I) THE SECRETARY, IN CONSULTATION WITH THE SECRETARY
21 OF COMMERCE, THE SECRETARY OF LABOR, AND THE SECRETARY OF HOUSING AND
22 COMMUNITY DEVELOPMENT, SHALL, WITH SPECIAL ATTENTION TO
23 MANUFACTURING AND AGRICULTURE, IDENTIFY ECONOMIC SECTORS OR ECONOMIC
24 SUBSECTORS THAT ARE ENERGY-INTENSIVE AND TRADE-EXPOSED.

25 (II) THE SECRETARY SHALL, AS MITIGATION, CALCULATE THE
26 TOTAL PROCEEDS COLLECTED FROM THE SECTORS OR SUBSECTORS IDENTIFIED IN
27 SUBPARAGRAPH (I) OF THIS PARAGRAPH AND MAY APPORTION PART OR ALL OF THE
28 PROCEEDS TO THE AFFECTED SECTOR OR SUBSECTOR.

29 (4) MONEY REMAINING IN THE EMPLOYER BENEFIT ACCOUNT
30 AFTER DISTRIBUTIONS UNDER PARAGRAPH (3) OF THIS SUBSECTION ARE
31 CALCULATED SHALL BE DEPOSITED IN THE INFRASTRUCTURE FUND.

32 (K) (1) THE SECRETARY SHALL CONSIDER ALTERNATIVE CALENDAR
33 SCHEDULES FOR DISTRIBUTION OF THE BENEFITS AUTHORIZED UNDER THIS

1 SECTION, INCLUDING PARTIAL OR WHOLE DISTRIBUTIONS EARLY IN THE RELEVANT
2 REVENUE CYCLE AND ON A REGULAR BASIS THROUGHOUT THE REVENUE CYCLE.

3 (2) THE METHOD AND SCHEDULE OF DISTRIBUTION OF BENEFITS
4 SHALL TAKE INTO ACCOUNT:

5 (I) THE NEEDS OF RESIDENTS AND EMPLOYERS,
6 PARTICULARLY LOW-INCOME HOUSEHOLDS, TO OBTAIN BENEFITS
7 CORRESPONDING TO THE TIME SCHEDULE WHEN THEY WILL BE PAYING
8 GREENHOUSE GAS POLLUTION FEES;

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

12 (III) THE NEED TO MINIMIZE THE ADMINISTRATIVE COSTS OF
13 THE INITIATIVE.

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

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

19 2-1222.

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

21 (B) THE PURPOSE OF THE INFRASTRUCTURE FUND IS TO INVEST IN
22 INITIATIVES THAT IMPROVE THE HEALTH AND WELFARE OF THE CITIZENS OF THE
23 STATE BY:

24 (1) EXPANDING THE USE OF CLEAN ENERGY SOURCES AND ENERGY
25 EFFICIENCY IN THE ELECTRICITY AND OTHER ENERGY-CONSUMING SECTORS;

26 (2) CREATING A CLEANER, MORE JUST, AND MORE EFFICIENT
27 TRANSPORTATION SECTOR THROUGHOUT THE STATE;

28 (3) PROVIDING FUNDING FOR RESILIENCY AGAINST CLIMATE
29 CHANGE AND WEATHER EVENTS THAT HAVE AN IMPACT ON THE LIVES OF THE
30 CITIZENS OF THE STATE AND ITS ECONOMY;

1 (4) **SEQUESTERING CARBON IN FORESTS, SOILS, AND WETLANDS; AND**

2 (5) **PROMOTING A JUST TRANSITION TO CLEAN ENERGY.**

3 (c) (1) **THE DEPARTMENT, IN CONSULTATION WITH THE COUNCIL,**
4 **SHALL ADMINISTER THE INFRASTRUCTURE FUND.**

5 (2) **THE DEPARTMENT MAY DELEGATE ADMINISTRATION OF ANY**
6 **PROGRAMS DEVELOPED UNDER THE INFRASTRUCTURE FUND TO STATE AGENCIES,**
7 **REGIONAL AUTHORITIES, MUNICIPAL GOVERNMENTS, AND OTHER PUBLIC**
8 **INSTITUTIONS.**

9 (d) (1) **THE INFRASTRUCTURE FUND IS A SPECIAL, NONLAPSING FUND**
10 **THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT**
11 **ARTICLE.**

12 (2) **THE STATE TREASURER SHALL HOLD THE INFRASTRUCTURE**
13 **FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE**
14 **INFRASTRUCTURE FUND.**

15 (e) **THE INFRASTRUCTURE FUND CONSISTS OF:**

16 (1) **PROCEEDS OF FEES DISTRIBUTED TO THE INFRASTRUCTURE**
17 **FUND UNDER § 2-1220(B) OF THIS SUBTITLE;**

18 (2) **ANY EXCESS OF UNSPENT BENEFITS RECEIVED FROM THE**
19 **BENEFIT FUND UNDER § 2-1221(I)(3) AND (J)(4) OF THIS SUBTITLE;**

20 (3) **MONEY APPROPRIATED IN THE STATE BUDGET TO THE**
21 **INFRASTRUCTURE FUND; AND**

22 (4) **ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
23 **THE BENEFIT OF THE INFRASTRUCTURE FUND.**

24 (f) (1) **THE INFRASTRUCTURE FUND MAY BE USED ONLY FOR:**

25 (i) **THE PURPOSES AUTHORIZED UNDER THIS SECTION; AND**

26 (ii) **ADMINISTRATION OF THE INFRASTRUCTURE FUND, NOT TO**
27 **EXCEED 5% OF THE MONEY IN THE INFRASTRUCTURE FUND.**

28 (2) **WHEN FEASIBLE, INVESTMENTS UNDER THIS SECTION SHALL BE**
29 **DESIGNED TO CREATE LOCAL ECONOMIC DEVELOPMENT AND EMPLOYMENT IN THE**

1 STATE.

2 (G) (1) UP TO 50% OF THE MONEY IN THE INFRASTRUCTURE FUND MAY
3 BE DISBURSED TO QUALIFIED COUNTY AND MUNICIPAL GOVERNMENTS FOR
4 PROJECTS THAT MEET THE REQUIREMENTS OF THIS SUBTITLE.

5 (2) (I) ON OR BEFORE JANUARY 1, 2023, THE COUNCIL, IN
6 CONSULTATION WITH THE COMMISSION ON ENVIRONMENTAL JUSTICE AND
7 SUSTAINABLE COMMUNITIES, SHALL ESTABLISH AND PUBLISH THE CRITERIA A
8 COUNTY OR MUNICIPAL GOVERNMENT MUST MEET TO BE A QUALIFIED COUNTY OR
9 QUALIFIED MUNICIPAL GOVERNMENT.

10 (II) THE CRITERIA ESTABLISHED UNDER SUBPARAGRAPH (I) OF
11 THIS PARAGRAPH SHALL REQUIRE, AT A MINIMUM, THAT A COUNTY OR MUNICIPAL
12 GOVERNMENT SUBMIT TO THE DEPARTMENT A 2030 GREENHOUSE GAS REDUCTION
13 PLAN FOR THE COUNTY OR MUNICIPALITY:

14 1. THAT IS ALIGNED WITH STATEWIDE GREENHOUSE
15 GAS REDUCTION REQUIREMENTS; AND

16 2. FOR WHICH THE COUNTY'S OR MUNICIPALITY'S
17 RESIDENTS WERE SUFFICIENTLY INVOLVED.

18 (H) (1) THE SECRETARY MAY USE UP TO 5% OF THE MONEY IN THE
19 INFRASTRUCTURE FUND TO PROVIDE TECHNICAL ASSISTANCE, CAPACITY, AND
20 PLANNING TOOLS TO COUNTY AND MUNICIPAL GOVERNMENTS FOR THE
21 DEVELOPMENT OF LOCAL CLIMATE PLANS AND INVESTMENT PROPOSALS.

22 (2) IN USING THE MONEY IN THE INFRASTRUCTURE FUND UNDER
23 PARAGRAPH (1) OF THIS SUBSECTION, THE SECRETARY SHALL GIVE DUE
24 CONSIDERATION TO COUNTIES AND MUNICIPALITIES WITH ENVIRONMENTAL
25 JUSTICE POPULATIONS.

26 (I) (1) AT LEAST 50% OF THE MONEY IN THE INFRASTRUCTURE FUND
27 SHALL BE INVESTED IN PROJECTS THAT ARE LOCATED WITHIN AND PROVIDE
28 MEANINGFUL BENEFITS TO ENVIRONMENTAL JUSTICE POPULATIONS.

29 (2) (I) ON OR BEFORE JANUARY 1, 2023, AND EVERY 3 YEARS
30 THEREAFTER, THE COMMISSION ON ENVIRONMENTAL JUSTICE AND SUSTAINABLE
31 COMMUNITIES SHALL ESTABLISH THE CRITERIA A POPULATION MUST MEET TO BE
32 CONSIDERED AN ENVIRONMENTAL JUSTICE POPULATION FOR THE PURPOSES OF
33 THIS SECTION.

1 **(II) IN ESTABLISHING THE CRITERIA UNDER SUBPARAGRAPH**
2 **(I) OF THIS PARAGRAPH, THE COMMISSION ON ENVIRONMENTAL JUSTICE AND**
3 **SUSTAINABLE COMMUNITIES SHALL:**

4 **1. USE, AT A MINIMUM, ANNUAL HOUSEHOLD INCOME,**
5 **MINORITY STATUS, AND ENVIRONMENTAL BURDEN AS CRITERIA;**

6 **2. ENSURE THAT NOT MORE THAN 50% OF THE STATE**
7 **POPULATION RESIDES WITHIN AN ENVIRONMENTAL JUSTICE POPULATION;**

8 **3. ENSURE THAT EACH ENVIRONMENTAL JUSTICE**
9 **POPULATION IS NOT LARGER THAN A CENSUS TRACT; AND**

10 **4. SOLICIT INPUT FROM THE PUBLIC.**

11 **(3) ON OR BEFORE JANUARY 1, 2023, THE COMMISSION ON**
12 **ENVIRONMENTAL JUSTICE AND SUSTAINABLE COMMUNITIES SHALL:**

13 **(I) DEFINE “MEANINGFUL BENEFITS” THAT A PROJECT MAY**
14 **PROVIDE TO ENVIRONMENTAL JUSTICE POPULATIONS;**

15 **(II) DEVELOP A METHOD FOR DETERMINING WHAT PORTION OF**
16 **A PROJECT’S EXPENDITURES ARE DIRECTLY LOCATED WITHIN, AND PROVIDE**
17 **DIRECT MEANINGFUL BENEFITS TO, ENVIRONMENTAL JUSTICE POPULATIONS;**

18 **(III) DEVELOP MEASURABLE CRITERIA THAT A PROJECT**
19 **RECEIVING FUNDING UNDER THIS SUBSECTION MUST MEET TO BE CONSIDERED**
20 **DIRECTLY LOCATED WITHIN, AND PROVIDING MEANINGFUL BENEFITS TO,**
21 **ENVIRONMENTAL JUSTICE POPULATIONS;**

22 **(IV) DEVELOP ANY PROCEDURES THE COMMISSION**
23 **DETERMINES ARE NECESSARY TO DEMONSTRATE AN ENVIRONMENTAL JUSTICE**
24 **POPULATION’S SUPPORT OF A PROJECT THAT WILL BE LOCATED WITHIN AND**
25 **PROVIDE MEANINGFUL BENEFITS TO THE ENVIRONMENTAL JUSTICE POPULATION;**
26 **AND**

27 **(V) ESTABLISH A PROCESS FOR RECIPIENTS OF FUNDING**
28 **UNDER THIS SUBSECTION TO REPORT THE INFORMATION UNDER ITEMS (II) AND (III)**
29 **OF THIS PARAGRAPH TO THE SECRETARY.**

30 **(4) A RECIPIENT OF FUNDING UNDER THIS SUBSECTION SHALL**
31 **REPORT ANNUALLY TO THE SECRETARY ON THE INFORMATION UNDER PARAGRAPH**
32 **(3) OF THIS SUBSECTION.**

1 **(J) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**
2 **INFRASTRUCTURE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE**
3 **INVESTED.**

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

6 **(K) ON OR BEFORE JANUARY 1, 2023, AND EVERY 3 YEARS THEREAFTER,**
7 **THE SECRETARY SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN**
8 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE**
9 **STATUS OF THE INFRASTRUCTURE FUND, INCLUDING INFORMATION REPORTED BY**
10 **RECIPIENTS OF FUNDING UNDER SUBSECTION (I) OF THIS SECTION.**

11 **2-1223.**

12 **(A) ON OR BEFORE JULY 1, 2024, THE SECRETARY SHALL STUDY AND**
13 **PREPARE A REPORT ON THE FEASIBILITY OF IMPOSING AND COLLECTING**
14 **ADDITIONAL GREENHOUSE GAS EMISSION FEES ON FUGITIVE EMISSIONS AND**
15 **INTENTIONAL RELEASES OF METHANE FROM NATURAL GAS INFRASTRUCTURE.**

16 **(B) THE REPORT SHALL INCLUDE AN ANALYSIS OF THE FEASIBILITY AND**
17 **EXPENSE OF:**

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

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

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

28 **(D) THE REPORT MAY BE INCLUDED IN THE REPORT REQUIRED UNDER §**
29 **2-1222(K) OF THIS SUBTITLE.**

30 **2-1224.**

31 **EACH YEAR, THE SECRETARY, IN CONSULTATION WITH THE COMMISSION,**

1 THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, AND THE
2 SECRETARY OF HUMAN SERVICES, SHALL IDENTIFY MEASURES AND PROGRAMS
3 BEST CALCULATED TO ENSURE THE PROVISION OF LOW-INCOME ENERGY
4 ASSISTANCE AND IMPROVEMENTS IN THE ENERGY EFFICIENCY OF
5 RENTER-OCCUPIED DWELLINGS IN THE STATE.

6 **2-1225.**

7 THE SECRETARY, IN CONSULTATION WITH THE COMMISSION, SHALL ADOPT
8 REGULATIONS TO CARRY OUT THIS PART.

9 **Article – State Finance and Procurement**

10 **6-226.**

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

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

19 144. the Health Equity Resource Community Reserve Fund;
20 [and]

21 145. the Access to Counsel in Evictions Special Fund;

22 **146. THE CLIMATE CRISIS INFRASTRUCTURE FUND; AND**

23 **147. THE HOUSEHOLD AND EMPLOYER BENEFIT FUND.**

24 **Chapter 11 of the Acts of 2016**

25 SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
26 effect October 1, 2016. [It shall remain effective for a period of 7 years and 3 months and
27 at, the end of December 31, 2023, with no further action required by the General Assembly,
28 Section 2 of this Act shall be abrogated and of no further force and effect.]

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2022.