

HEARING DATE: January 28, 2021

BILL NO: SB0414

COMMITTEE: Education, Health, and Environmental Affairs

POSITION: Letter of Information

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TITLE:

Climate Solutions Now Act of 2021

BILL ANALYSIS:

SB0414 proposes changes to the responsibilities of the Commission on Environmental Justice and Sustainable Communities (Commission) by adding a task to be completed by the end of 2022 that mandates consultation with our agency (along with several other state agencies). The bill indicates that to complete this task, the Commission shall consider “geographic, public health, environmental hazard, and socioeconomic criteria.” Our agency likely will be called upon to provide socioeconomic, population, and land use data to support completion of the Commission’s task.

POSITION AND RATIONALE:

This is a large and multi-faceted bill that has broad implications for multiple state agencies. This bill would have an impact on expenditures to the extent that Planning anticipates significant staff time will be needed in order to support the work of the Commission and to work in collaboration with other state agencies.

This bill will likely have significant direct and indirect cost implications on private development. The bill mandates several additional requirements for buildings that could add upfront costs for design and construction. Although there are some exceptions in the bill, the additional upfront costs could discourage smart development and growth goals by raising costs to a point where a profit cannot be made. Over time, building owners and occupants may obtain the benefit of energy savings and credits from renewable energy use; however, the building constructors do not obtain those benefits.

To a certain extent, this bill also provides for significant redundancies in state government, including the fact that the state already has tree planting goals as well as aggressive and enforceable Chesapeake Bay cleanup efforts. This bill also requires expenditures from the Transportation Trust Fund. In large measure, this bill is a large unfunded mandate.

The bill has several provisions that would raise costs for local government operations or finances: (a) the bill mandates that certain municipal solid waste landfills must complete certain research and analyses when discrepancies in methane emission data exist; (b) although there are still schools that exist in the state without functional climate control where students do not have air conditioning or functional heating systems, the bill mandates that at least one new school (over an 8-year time period) must be built to either meet net-zero energy requirements or shall be solar ready (although the bill proposes a net-zero school loan fund to cover the local construction costs to meet net-zero energy requirements, the loan fund does not appear to be available to make schools solar ready, and it appears that the repayments are to be made by an amount equal to the energy savings, so there does not appear to be any actual cost reduction to the school until after the loan is repaid in full.); also, the bill does not clarify whether local design and construction management costs to meet net-zero energy requirements would be covered by the proposed net-zero school loan fund); (c) the bill mandates that local governments complete certain life-cycle analyses for new buildings (this includes new local government buildings); and (d) the bill mandates an exemption from county or municipal property tax the machinery or equipment added to certain community solar energy generating systems serving low- or moderate-income customers.

The new tree planting provisions in the bill could support small businesses that provide supplies for tree planting, including planting equipment and nurseries. Small businesses involved with obtaining, distributing, or manufacturing supplies or parts for low- or zero-energy vehicles or buildings could be benefitted. Depending on the specific plans that MDE establishes to meet the more aggressive greenhouse gas reduction goals for 2030 and 2045 mandated by the bill, some small businesses that specialize in energy reduction or alternative energy measures could benefit, while small businesses that specialize in energy (e.g., distribution) could be negatively affected.