

# SENATE BILL 702

M5, C5  
HB 939/18 – ECM

9lr1167  
CF 9lr1261

---

By: **Senators Kramer, Pinsky, and Young**

Introduced and read first time: February 4, 2019

Assigned to: Finance and Education, Health, and Environmental Affairs

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Healthy Climate Initiative**

3 FOR the purpose of establishing a Healthy Climate Initiative in the Department of the  
4 Environment for certain purposes; requiring the Secretary of the Environment to  
5 administer certain schedules of greenhouse gas pollution charges; requiring the  
6 Secretary to delegate certain collection and rebate functions to the Comptroller;  
7 requiring the Comptroller to carry out certain functions; requiring the collection of a  
8 certain greenhouse gas pollution charge on certain fuels and certain greenhouse  
9 gas-emitting priorities for certain purposes; requiring the Secretary to make a  
10 certain determination in consultation with the Public Service Commission; requiring  
11 the Secretary to make a certain estimate using certain information; providing for the  
12 assessment of a certain charge at a certain rate in certain years, subject to a certain  
13 condition; providing for the reduction of a certain charge for certain sequestered  
14 emissions; requiring the collection of a certain charge on certain products at their  
15 first point of sale in the State; requiring each electric distribution company and each  
16 competitive electricity supplier to pay in a certain manner a certain charge  
17 calculated in a certain manner; providing for the deduction of certain amounts from  
18 a certain charge in a certain manner; requiring the Department to determine the  
19 fuel used at certain generating plants in a certain manner; requiring the payment of  
20 a certain charge quarterly with an annual reconciliation; requiring each electricity  
21 supplier to file certain information with the Commission by a certain date each year  
22 for certain purposes; requiring the Commission to open a docket for certain purposes;  
23 requiring the Commission to issue a certain order under certain circumstances;  
24 requiring certain persons generating a certain amount of electricity to pay a certain  
25 charge calculated in a certain manner; requiring certain natural gas distribution  
26 companies to pay a certain charge calculated in a certain manner; requiring the  
27 Secretary to determine a certain charge for certain fugitive emissions for the purpose  
28 of determining a certain additional charge; exempting certain governmental units  
29 from the charge under this Act; providing for the initial date of collection of a certain  
30 charge; requiring the Secretary to determine certain matters for identifying certain  
31 substances as a greenhouse gas-emitting priority, with certain exceptions; requiring

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the Secretary to prepare certain reports periodically considering certain matters and  
2 to submit the reports to the Governor and the General Assembly; prohibiting the  
3 imposition of certain charges if superseded by federal law or regulation; establishing  
4 a Healthy Climate Infrastructure Fund as a special, nonlapsing fund for certain  
5 purposes; providing for the administration and functioning of the Infrastructure  
6 Fund; providing for the investment of money in and expenditures from the  
7 Infrastructure Fund; requiring interest earnings of the Infrastructure Fund to be  
8 credited to the Infrastructure Fund; providing for the distribution of money from the  
9 Infrastructure Fund to certain local governments and State programs in a certain  
10 manner for certain purposes; establishing certain priorities for certain  
11 disbursements; establishing a Household and Employer Rebate Fund as a special,  
12 nonlapsing fund for certain purposes; providing for the administration and  
13 functioning of the Rebate Fund; providing for the investment of money in and  
14 expenditures from the Rebate Fund; requiring interest earnings of the Rebate Fund  
15 to be credited to the Rebate Fund; establishing certain accounts in the Rebate Fund  
16 for certain purposes; providing for the distribution of money in the Household Rebate  
17 Account and the Employer Rebate Account in certain manners for certain purposes;  
18 providing that certain money distributed as a rebate under this Act may not be  
19 included in taxable income for purposes of any State or local income tax; providing  
20 that certain money distributed as a rebate shall be excluded from household income  
21 for certain purposes; establishing a Healthy Climate Infrastructure Fund Advisory  
22 Board with certain membership for certain purposes; providing that the Secretary is  
23 not subject to penalties or actions for damages for certain actions under this Act;  
24 requiring the Secretary to make certain efforts to return certain charges to certain  
25 persons in a certain manner; requiring the Secretary to consider certain alternative  
26 calendar schedules for certain purposes; requiring the Secretary to identify certain  
27 measures and programs annually in consultation with certain units; authorizing the  
28 Secretary to issue certain additional rebates or declare certain exemptions; requiring  
29 the Secretary to study and report on certain matters to the Governor and the General  
30 Assembly by a certain date; requiring the Secretary to adopt certain regulations in  
31 consultation with the Commission; exempting the Infrastructure Fund and the  
32 Rebate Fund from a certain provision of law requiring interest earnings on State  
33 money to accrue to the General Fund of the State; defining certain terms; and  
34 generally relating to the Healthy Climate Initiative and greenhouse gas emissions  
35 reductions.

36 BY adding to

37 Article – Environment

38 New part designation “Part I. Statewide Inventory and Emissions Reduction Plan”  
39 to immediately precede Section 2–1201; and Section 2–1214 through 2–1223  
40 to be under the new part “Part II. Healthy Climate Initiative”

41 Annotated Code of Maryland

42 (2013 Replacement Volume and 2018 Supplement)

43 BY repealing and reenacting, without amendments,

44 Article – Environment

45 Section 2–1201(1) through (5) and (8) and 2–1202

1 Annotated Code of Maryland  
 2 (2013 Replacement Volume and 2018 Supplement)

3 BY repealing and reenacting, without amendments,  
 4 Article – State Finance and Procurement  
 5 Section 6–226(a)(2)(i)  
 6 Annotated Code of Maryland  
 7 (2015 Replacement Volume and 2018 Supplement)

8 BY repealing and reenacting, with amendments,  
 9 Article – State Finance and Procurement  
 10 Section 6–226(a)(2)(ii)112. and 113.  
 11 Annotated Code of Maryland  
 12 (2015 Replacement Volume and 2018 Supplement)

13 BY adding to  
 14 Article – State Finance and Procurement  
 15 Section 6–226(a)(2)(ii)114. and 115.  
 16 Annotated Code of Maryland  
 17 (2015 Replacement Volume and 2018 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 19 That the Laws of Maryland read as follows:

20 **Article – Environment**

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

22 2–1201.

23 The General Assembly finds that:

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

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

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

31 (4) The State has the ingenuity to reduce the threat of global warming and  
 32 make greenhouse gas reductions a part of the State’s future by achieving a 25% reduction  
 33 in greenhouse gas emissions from 2006 levels by 2020 and by preparing a plan to meet a  
 34 longer-term goal of reducing greenhouse gas emissions by up to 90% from 2006 levels by  
 35 2050 in a manner that promotes new “green” jobs, and protects existing jobs and the State’s

1 economic well-being;

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

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

8 2-1202.

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:

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

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

4 (iii) Research and development activities.

5 (3) “Manufacturing” does not include:

6 (i) Activities that are primarily a service;

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

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

10 (iv) Any other activity that would not commonly be considered as  
11 manufacturing.

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

17 **2-1212. RESERVED.**

18 **2-1213. RESERVED.**

## 19 **PART II. HEALTHY CLIMATE INITIATIVE.**

20 **2-1214.**

21 **(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS**  
22 **INDICATED.**

23 **(B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY**  
24 **ADMINISTRATION.**

25 **(C) “ADULT RESIDENT” MEANS A RESIDENT OF THE STATE AT LEAST 18**  
26 **YEARS OLD.**

27 **(D) “COMMISSION” MEANS THE PUBLIC SERVICE COMMISSION.**

28 **(E) “ELECTRICITY SUPPLIER” HAS THE MEANING STATED IN § 1-101 OF THE**

1 **PUBLIC UTILITIES ARTICLE.**

2 (F) “EMPLOYER” MEANS A PERSON, A GOVERNMENTAL UNIT, OR ANY  
3 OTHER ENTITY THAT HAS EMPLOYEES WORKING IN THE STATE.

4 (G) “FUGITIVE EMISSIONS” MEANS EMISSIONS OF GREENHOUSE GASES  
5 FROM EQUIPMENT, INCLUDING PIPELINES, DUE TO LEAKS OR OTHER UNINTENDED  
6 OR IRREGULAR RELEASES.

7 (H) (1) “GREENHOUSE GAS-EMITTING PRIORITY” MEANS A SUBSTANCE  
8 THAT:

9 (I) EMITS OR IS CAPABLE OF EMITTING A GREENHOUSE GAS  
10 WHEN BURNED OR RELEASED TO THE ATMOSPHERE; AND

11 (II) IS IDENTIFIED AS A PRIORITY UNDER THIS PART.

12 (2) “GREENHOUSE GAS-EMITTING PRIORITY” INCLUDES:

13 (I) NATURAL GAS;

14 (II) PETROLEUM;

15 (III) COAL; AND

16 (IV) ANY SOLID, LIQUID, OR GASEOUS FUEL DERIVED FROM  
17 ITEM (I), (II), OR (III) OF THIS PARAGRAPH.

18 (I) “GREENHOUSE GAS POLLUTION CHARGE” OR “CHARGE” MEANS A  
19 CHARGE IMPOSED ON EACH CARBON DIOXIDE EQUIVALENT UNDER THIS PART.

20 (J) “INFRASTRUCTURE FUND” MEANS THE HEALTHY CLIMATE  
21 INFRASTRUCTURE FUND ESTABLISHED UNDER § 2-1218 OF THIS SUBTITLE.

22 (K) “INITIATIVE” MEANS THE HEALTHY CLIMATE INITIATIVE ESTABLISHED  
23 UNDER THIS PART.

24 (L) (1) “LIFE CYCLE EMISSIONS” MEANS GREENHOUSE GAS EMISSIONS  
25 THAT ARE RELEASED DURING PHASES OF A FUEL OR OTHER PRODUCT’S LIFE.

26 (2) “LIFE CYCLE EMISSIONS” INCLUDES GREENHOUSE GAS  
27 EMISSIONS RELEASED DURING EXTRACTION, PROCESSING, TRANSPORTATION, AND  
28 DISPOSAL ACTIVITIES.

1 (M) "MINOR RESIDENT" MEANS A RESIDENT OF THE STATE UNDER THE AGE  
2 OF 18 YEARS.

3 (N) "MOTOR FUEL" HAS THE MEANING STATED IN § 9-101 OF THE  
4 TAX - GENERAL ARTICLE.

5 (O) "MOTOR VEHICLE" HAS THE MEANING STATED IN § 9-101 OF THE  
6 TAX - GENERAL ARTICLE.

7 (P) "ON-SITE GENERATED ELECTRICITY" HAS THE MEANING STATED IN §  
8 1-101 OF THE PUBLIC UTILITIES ARTICLE.

9 (Q) "QUINTILE 1" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX  
10 INCOMES THROUGH THE 20TH PERCENTILE OF ALL HOUSEHOLDS IN THE STATE.

11 (R) "QUINTILE 2" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX  
12 INCOMES ABOVE THE 20TH PERCENTILE THROUGH THE 40TH PERCENTILE OF ALL  
13 HOUSEHOLDS IN THE STATE.

14 (S) "QUINTILE 3" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX  
15 INCOMES ABOVE THE 40TH PERCENTILE THROUGH THE 60TH PERCENTILE OF ALL  
16 HOUSEHOLDS IN THE STATE.

17 (T) "QUINTILE 4" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX  
18 INCOMES ABOVE THE 60TH PERCENTILE THROUGH THE 80TH PERCENTILE OF ALL  
19 HOUSEHOLDS IN THE STATE.

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

22 (V) "REBATE FUND" MEANS THE HOUSEHOLD AND EMPLOYER REBATE  
23 FUND ESTABLISHED UNDER § 2-1219 OF THIS SUBTITLE.

24 (W) "TOTAL REBATE SHARES" MEANS THE SUM OF ALL ADULT RESIDENTS  
25 AND ONE-HALF THE MINOR RESIDENTS OF THE STATE.

26 2-1215.

27 (A) THERE IS A HEALTHY CLIMATE INITIATIVE IN THE DEPARTMENT.

28 (B) THE INITIATIVE PROVIDES FOR:

1           **(1) THE ASSESSMENT OF GREENHOUSE GAS POLLUTION CHARGES**  
2 **FOR GREENHOUSE GAS EMISSIONS MEASURED ACCORDING TO CARBON DIOXIDE**  
3 **EQUIVALENTS ASSOCIATED WITH VARIOUS ACTIVITIES IN THE STATE;**

4           **(2) THE FUNDING OF ACTIVITIES FOR GREENHOUSE GAS REDUCTION,**  
5 **IMPROVEMENTS IN RESILIENCY, AND THE PROMOTION OF A JUST ECONOMIC**  
6 **TRANSITION IN THE STATE; AND**

7           **(3) REBATES TO HOUSEHOLDS AND EMPLOYERS IN THE STATE TO**  
8 **MITIGATE THE IMPACT OF CHARGES UNDER THE INITIATIVE.**

9 **2-1216.**

10           **(A) THE SECRETARY SHALL ADMINISTER THE SCHEDULES OF GREENHOUSE**  
11 **GAS POLLUTION CHARGES UNDER THIS PART.**

12           **(B) THE SECRETARY SHALL DELEGATE ALL COLLECTION OF GREENHOUSE**  
13 **GAS POLLUTION CHARGES, DISTRIBUTION OF REBATES, AND ANY OTHER**  
14 **APPROPRIATE FUNCTIONS TO THE COMPTROLLER.**

15           **(C) THE COMPTROLLER SHALL CARRY OUT ALL FUNCTIONS THE**  
16 **SECRETARY DELEGATES UNDER THIS PART.**

17 **2-1217.**

18           **(A) (1) A GREENHOUSE GAS POLLUTION CHARGE SHALL BE COLLECTED**  
19 **ON ALL FOSSIL FUELS AND OTHER GREENHOUSE GAS-EMITTING PRIORITIES**  
20 **BROUGHT INTO THE STATE FOR PURPOSES OF DISTRIBUTION OR USE IN THE STATE,**  
21 **AT THE RATE SPECIFIED IN SUBSECTIONS (B) AND (C) OF THIS SECTION AND IN THE**  
22 **MANNER SPECIFIED IN THIS SECTION.**

23           **(2) (I) FOR THE PURPOSE OF CALCULATING THE CHARGE, THE**  
24 **SECRETARY, IN CONSULTATION WITH THE COMMISSION, SHALL DETERMINE THE**  
25 **AVERAGE CARBON DIOXIDE EQUIVALENT PER UNIT OF EACH GREENHOUSE**  
26 **GAS-PRODUCING SUBSTANCE.**

27           **(II) FOR SUBSTANCES THAT PRODUCE GREENHOUSE GASES**  
28 **OTHER THAN CARBON DIOXIDE WHERE THE CARBON DIOXIDE EQUIVALENT PER**  
29 **UNIT IS NOT PRECISELY KNOWN, BECAUSE THE RATE OF FUGITIVE EMISSIONS OF**  
30 **THE SUBSTANCE INTO THE ATMOSPHERE IS UNCERTAIN OR FOR OTHER REASONS,**  
31 **THE SECRETARY SHALL ESTIMATE THE AVERAGE ADDITIONAL EMISSIONS OF THE**  
32 **SUBSTANCE USED IN THE STATE USING THE BEST AVAILABLE RELIABLE**  
33 **INFORMATION.**



1           **(B) SUBJECT TO SUBSECTIONS (C) AND (D) OF THIS SECTION, THE CHARGE**  
2 **ASSESSED PER TON OF CARBON DIOXIDE EQUIVALENT SHALL:**

3           **(1) BE \$20 IN 2019; AND**

4           **(2) INCREASE BY \$5 EACH YEAR THEREAFTER UNTIL NET EMISSIONS**  
5 **FROM FOSSIL FUELS AND OTHER GREENHOUSE GAS-EMITTING PRIORITIES ARE**  
6 **ZERO.**

7           **(C) (1) TO ENSURE PROGRESS TOWARD REACHING EMISSIONS LIMITS**  
8 **UNDER PART I OF THIS SUBTITLE AND SUBTITLE 10 OF THIS TITLE, STARTING IN**  
9 **2022 AND EVERY 2 YEARS THEREAFTER, THE SECRETARY SHALL DETERMINE**  
10 **WHETHER ANNUAL REDUCTION TARGETS ARE BEING ACHIEVED.**

11           **(2) THE ANNUAL REDUCTION TARGET FOR A GIVEN YEAR IS THE**  
12 **EMISSIONS LEVEL IN THE PRECEDING YEAR, MINUS THE EMISSIONS LIMIT UNDER**  
13 **PART I OF THIS SUBTITLE AND SUBTITLE 10 OF THIS TITLE, DIVIDED BY THE**  
14 **NUMBER OF YEARS BETWEEN THE PRECEDING YEAR AND 2030.**

15           **(3) FOR EACH YEAR WHEN THE ANNUAL REDUCTION TARGET IS NOT**  
16 **ACHIEVED, THE CHARGE IMPOSED UNDER SUBSECTION (B)(2) OF THIS SECTION**  
17 **SHALL BE \$10.**

18           **(4) IF THE EMISSIONS LIMIT UNDER PART I OF THIS SUBTITLE AND**  
19 **SUBTITLE 10 OF THIS TITLE IS AMENDED, THE ANNUAL REDUCTION TARGET SHALL**  
20 **BE CALCULATED BASED ON THE AMENDED LIMIT.**

21           **(5) THE SECRETARY MAY ALTER THE DETERMINATION SCHEDULE**  
22 **UNDER PARAGRAPH (1) OF THIS SUBSECTION AS NEEDED TO COORDINATE WITH THE**  
23 **REPORTING REQUIREMENT UNDER SUBSECTION (P) OF THIS SECTION.**

24           **(D) IF THE CHARGES AND REBATES UNDER THIS PART TAKE EFFECT IN A**  
25 **CALENDAR YEAR LATER THAN 2020, THE SECRETARY SHALL DELAY THE SCHEDULE**  
26 **OF CHARGES UNDER SUBSECTIONS (B) AND (C) OF THIS SECTION BY THE SAME**  
27 **NUMBER OF YEARS.**

28           **(E) (1) IN SALES WHERE GREENHOUSE GAS EMISSIONS FROM THE FOSSIL**  
29 **FUELS ARE TO BE PERMANENTLY SEQUESTERED AND NOT RELEASED INTO THE**  
30 **ATMOSPHERE, CHARGES ON THE FOSSIL FUELS SHALL BE REDUCED BY THE**  
31 **DEPARTMENT IN PROPORTION TO THE AMOUNT OF CARBON DIOXIDE EQUIVALENTS**  
32 **TO BE SEQUESTERED.**

1           **(2) THE DEPARTMENT SHALL ENSURE THAT, IN THESE CASES, THE**  
2 **EMISSIONS ARE PERMANENTLY SEQUESTERED AND ARE NOT RELEASED INTO THE**  
3 **ATMOSPHERE.**

4           **(F) (1) THE CHARGE SHALL BE COLLECTED ON ALL PETROLEUM**  
5 **PRODUCTS AT THEIR FIRST POINT OF SALE IN THE STATE FOR CONSUMPTION OR**  
6 **DISTRIBUTION IN THE STATE.**

7           **(2) THE CHARGE COLLECTED ON PETROLEUM PRODUCTS UNDER**  
8 **THIS SUBSECTION SHALL BE REDUCED BY AN AMOUNT EQUAL TO ANY CHARGE PAID**  
9 **FOR THE SAME YEAR ON ACCOUNT OF ANY TRANSPORTATION INITIATIVES OR ANY**  
10 **OTHER INITIATIVE SIMILAR TO THE REGIONAL GREENHOUSE GAS INITIATIVE**  
11 **UNDER § 2-1002 OF THIS TITLE.**

12           **(3) THE AMOUNT DEDUCTED UNDER PARAGRAPH (2) OF THIS**  
13 **SUBSECTION MAY NOT EXCEED THE TOTAL AMOUNT OF THE CHARGE CALCULATED**  
14 **UNDER SUBSECTIONS (B) AND (C) OF THIS SECTION.**

15           **(G) (1) EACH ELECTRICITY SUPPLIER, INCLUDING EACH ELECTRIC**  
16 **DISTRIBUTION COMPANY OPERATING IN THE STATE AND EACH COMPETITIVE**  
17 **SUPPLIER OF ELECTRICITY TO END USERS, SHALL PAY THE CHARGE ON BEHALF OF**  
18 **ALL OF THEIR ELECTRICITY CUSTOMERS ON THE BASIS OF EACH KILOWATT-HOUR**  
19 **OF ELECTRICITY USED BY EACH DISTRIBUTION CUSTOMER.**

20           **(2) THE PER-KILOWATT-HOUR CHARGE TO BE PAID BY THE**  
21 **ELECTRICITY SUPPLIER FOR A RETAIL ELECTRIC PRODUCT SOLD TO ELECTRIC**  
22 **CUSTOMERS IN THE STATE IS CALCULATED AS FOLLOWS:**

23                   **(I) THE CHARGE SHALL BE CALCULATED ON AN ANNUAL BASIS,**  
24 **BASED ON THE ELECTRICITY FUEL MIX FOR EACH PRODUCT;**

25                   **(II) THE CARBON DIOXIDE EQUIVALENT OF EVERY**  
26 **KILOWATT-HOUR OF ELECTRICITY SHALL BE DETERMINED BY TAKING THE**  
27 **WEIGHTED AVERAGE OF THE NATURAL GAS, COAL, AND OIL PORTIONS OF THE FUEL**  
28 **MIX AND MULTIPLYING EACH OF THOSE PORTIONS SEPARATELY BY THE AMOUNT OF**  
29 **CARBON DIOXIDE EQUIVALENT EMISSIONS CREATED PER KILOWATT-HOUR OF**  
30 **ELECTRICITY PRODUCED BY EACH FUEL, AS THOSE CARBON INTENSITY LEVELS ARE**  
31 **DETERMINED BY THE UNITED STATES ENERGY INFORMATION ADMINISTRATION;**

32                   **(III) THE ELECTRICITY SUPPLIER SHALL DEDUCT FROM THE**  
33 **CHARGE CALCULATED UNDER ITEMS (I) AND (II) OF THIS PARAGRAPH AN AMOUNT**  
34 **EQUAL TO THE NET AMOUNT THE ELECTRICITY SUPPLIER PAID FOR THE SAME YEAR**  
35 **FOR REGIONAL GREENHOUSE GAS INITIATIVE ALLOWANCES; AND**

1           (IV) THE AMOUNT DEDUCTED UNDER ITEM (III) OF THIS  
2 PARAGRAPH MAY NOT EXCEED THE TOTAL AMOUNT OF THE CHARGE CALCULATED  
3 UNDER ITEMS (I) AND (II) OF THIS PARAGRAPH.

4           (3) THE DEPARTMENT SHALL DETERMINE THE FUEL USED TO  
5 GENERATE ELECTRICITY AT EACH GENERATING PLANT IN THE STATE AND THE FUEL  
6 USED TO GENERATE ELECTRICITY THAT IS IMPORTED INTO THE STATE BASED ON  
7 INFORMATION FROM PJM INTERCONNECTION AND OTHER SOURCES.

8           (4) AN ELECTRICITY SUPPLIER SHALL:

9                   (I) PAY THE CHARGE AT LEAST QUARTERLY; AND

10                   (II) RECONCILE ANNUAL CHARGES PAID AT LEAST ONCE EACH  
11 YEAR.

12           (H) (1) ON OR BEFORE OCTOBER 1 EACH YEAR, EACH ELECTRICITY  
13 SUPPLIER SHALL FILE WITH THE COMMISSION THE RESULT OF ITS PROPOSED  
14 CALCULATION FOR THE YEAR BEGINNING THE FOLLOWING JANUARY 1.

15                   (2) THE FILING MUST INCLUDE SUFFICIENT SUPPORTING DATA TO  
16 ENABLE THE COMMISSION TO DETERMINE WHETHER THE CALCULATION BY THE  
17 ELECTRICITY SUPPLIER WAS MADE FULLY IN ACCORDANCE WITH SUBSECTION (G)  
18 OF THIS SECTION.

19                   (3) (I) ON RECEIPT OF THE CALCULATION BY THE ELECTRICITY  
20 SUPPLIER, THE COMMISSION SHALL OPEN A DOCKET.

21                           (II) THE SOLE PURPOSE OF THE DOCKET SHALL BE FOR THE  
22 COMMISSION TO DETERMINE WHETHER THE CALCULATION BY THE ELECTRICITY  
23 SUPPLIER WAS MADE FULLY IN ACCORDANCE WITH SUBSECTION (G) OF THIS  
24 SECTION.

25                           (III) IF THE COMMISSION DETERMINES THAT THE CALCULATION  
26 BY THE ELECTRICITY SUPPLIER WAS MADE FULLY IN ACCORDANCE WITH  
27 SUBSECTION (G) OF THIS SECTION, THE COMMISSION SHALL, NOT LATER THAN  
28 NOVEMBER 15 OF THE SAME YEAR, ISSUE AN ORDER APPROVING THE  
29 CALCULATION.

30                           (IV) 1. IF THE COMMISSION DETERMINES THAT THE  
31 CALCULATION BY THE ELECTRICITY SUPPLIER DOES NOT FULLY COMPLY WITH  
32 SUBSECTION (G) OF THIS SECTION:

1                   **A. THE COMMISSION SHALL ISSUE AN ORDER STATING**  
2 **CLEARLY THE ERRORS THAT THE ELECTRICITY SUPPLIER MADE; AND**

3                   **B. THE ELECTRICITY SUPPLIER SHALL HAVE 21 DAYS TO**  
4 **MAKE A COMPLIANCE FILING WITH THE COMMISSION CORRECTING THE ERRORS**  
5 **IDENTIFIED IN THE COMMISSION'S ORDER.**

6                   **2. IF AN ELECTRICITY SUPPLIER FAILS TO MAKE A**  
7 **COMPLIANCE FILING AS REQUIRED BY THE COMMISSION, THE COMMISSION SHALL**  
8 **ISSUE AN ORDER ESTABLISHING THE CALCULATION THAT THE ELECTRICITY**  
9 **SUPPLIER MUST USE FOR THE FOLLOWING CALENDAR YEAR.**

10           **(I) (1) ANY PERSON THAT GENERATES MORE THAN 25,000**  
11 **KILOWATT-HOURS OF ON-SITE GENERATED ELECTRICITY USING ANY COMBINATION**  
12 **OF ONE OR MORE FOSSIL FUELS MUST PAY AS A CHARGE THE CARBON PRICE OF THE**  
13 **FUELS.**

14                   **(2) THE CARBON PRICE FOR FUELS UNDER PARAGRAPH (1) OF THIS**  
15 **SUBSECTION SHALL BE CALCULATED BY MULTIPLYING THE QUANTITY OF EACH**  
16 **SEPARATE FOSSIL FUEL COMBUSTED TO PRODUCE ELECTRICITY BY THE CARBON**  
17 **DIOXIDE EQUIVALENT EMISSIONS PER UNIT OF EACH SEPARATE FUEL SO**  
18 **COMBUSTED.**

19                   **(3) WITHIN 1 YEAR AFTER THE DATE THAT THE CHARGES AND**  
20 **REBATES UNDER THIS PART TAKE EFFECT, THE SECRETARY SHALL ADOPT**  
21 **REGULATIONS FOR THE CALCULATION, ASSESSMENT, AND COLLECTION OF THESE**  
22 **CARBON PRICE AMOUNTS.**

23                   **(4) ANY CHARGE ALREADY PAID ON THE FUEL UNDER THIS SECTION**  
24 **SHALL BE DEDUCTED FROM THE CHARGE THAT WOULD OTHERWISE BE DUE UNDER**  
25 **THIS SUBSECTION.**

26           **(J) (1) THE LOCAL DISTRIBUTION COMPANY FOR NATURAL GAS SHALL**  
27 **PAY THE CHARGE FOR ALL NATURAL GAS THAT THE COMPANY DISTRIBUTES FOR**  
28 **USE IN THE STATE.**

29                   **(2) THE CHARGE UNDER THIS SUBSECTION SHALL BE CALCULATED**  
30 **BY MULTIPLYING THE NUMBER OF CUBIC FEET OF NATURAL GAS USED BY EACH**  
31 **CUSTOMER BY THE AMOUNT OF CARBON DIOXIDE EQUIVALENTS RELEASED BY**  
32 **BURNING 1 CUBIC FOOT OF NATURAL GAS, AS THAT VALUE IS DETERMINED BY THE**  
33 **UNITED STATES ENERGY INFORMATION ADMINISTRATION.**

1           **(K) SUBJECT TO SUBSECTION (O) OF THIS SECTION, THE SECRETARY SHALL**  
2 **DETERMINE THE AMOUNT OF CARBON DIOXIDE EQUIVALENTS RELEASED IN THE**  
3 **FORM OF ESCAPED METHANE DUE TO THE EXTRACTION, TRANSPORT, OR**  
4 **DISTRIBUTION OF NATURAL GAS BEFORE THE POINT OF CONSUMPTION IN THE**  
5 **STATE, AND MAY ADD AN ADDITIONAL CHARGE TO THE CARBON PRICE FOR ALL**  
6 **NATURAL GAS OR NATURAL GAS-BASED ELECTRICITY, BASED ON THE RATE**  
7 **SPECIFIED IN SUBSECTIONS (B) AND (C) OF THIS SECTION.**

8           **(L) (1) UNITS OF GOVERNMENT WHOSE PRIMARY PURPOSE IS TO**  
9 **PROVIDE PUBLIC TRANSPORTATION BY BUS, VAN, RAIL, OR OTHER MEANS THAT**  
10 **REDUCE THE AMOUNT OF DRIVING BY PRIVATE MOTOR VEHICLES SHALL BE EXEMPT**  
11 **FROM GREENHOUSE GAS POLLUTION CHARGES UNDER THIS PART.**

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

15           **(M) (1) THE COLLECTION OF THE CHARGE UNDER THIS SECTION SHALL**  
16 **BEGIN ON THE ADOPTION OF ALL NECESSARY RULES FOR ITS COLLECTION, BUT NOT**  
17 **LATER THAN JANUARY 1, 2021, FOR EMISSIONS OCCURRING IN 2020.**

18           **(2) THE CHARGE ESTABLISHED BY THIS PART SHALL BE REDUCED BY**  
19 **THE AMOUNT OF ANY FEE, CHARGE, OR OTHER PAYMENT DUE UNDER ANY FEDERAL**  
20 **LAW THAT SETS A CARBON PRICE ON THE SAME FOSSIL FUELS FOR THE SAME YEAR**  
21 **AS DESCRIBED IN THIS PART, BUT MAY NOT RESULT IN A REBATE THAT EXCEEDS THE**  
22 **CHARGE.**

23           **(N) THE CHARGES COLLECTED UNDER THIS SECTION SHALL BE PAID INTO**  
24 **THE INFRASTRUCTURE FUND AND THE REBATE FUND IN ACCORDANCE WITH THIS**  
25 **PART.**

26           **(O) (1) USING THE BEST INFORMATION AND SCIENCE REASONABLY**  
27 **AVAILABLE, THE SECRETARY SHALL DETERMINE WHETHER TO IDENTIFY ANY**  
28 **GREENHOUSE GAS-EMITTING SUBSTANCE, IN ADDITION TO NATURAL GAS,**  
29 **PETROLEUM, COAL, AND THEIR DERIVATIVES, AS A GREENHOUSE GAS-EMITTING**  
30 **PRIORITY FOR THE PURPOSES OF THIS PART.**

31           **(2) EMISSIONS FROM FARM ANIMALS AND CROPS MAY NOT BE**  
32 **DESIGNATED AS GREENHOUSE GAS-EMITTING PRIORITIES.**

33           **(P) (1) WITHIN 3 YEARS AFTER THE CHARGES AND REBATES UNDER THIS**  
34 **PART TAKE EFFECT, AND EVERY 2 YEARS THEREAFTER, THE SECRETARY, IN**  
35 **CONSULTATION WITH THE COMMISSION, SHALL SUBMIT A REPORT TO THE**

1 GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT  
2 ARTICLE, THE GENERAL ASSEMBLY.

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

6 (I) ACCOUNT FOR INFLATION;

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

9 (III) ENSURE PROGRESS TOWARD REACHING EMISSIONS LIMITS  
10 UNDER PART I OF THIS SUBTITLE AND SUBTITLE 10 OF THIS TITLE; AND

11 (IV) MITIGATE SERIOUS HARM TO ECONOMIC SECTORS,  
12 ECONOMIC SUBSECTORS, OR INDIVIDUAL EMPLOYERS OF THE STATE CAUSED BY  
13 COLLECTION OF GREENHOUSE GAS POLLUTION CHARGES UNDER THIS PART.

14 (Q) NOTWITHSTANDING ANY OTHER LAW, THE CHARGES AUTHORIZED  
15 UNDER THIS SECTION MAY NOT BE IMPOSED ON ANY GREENHOUSE GAS-PRODUCING  
16 SUBSTANCE IF THE IMPOSITION IS SUPERSEDED BY FEDERAL LAW OR REGULATION.

17 2-1218.

18 (A) THERE IS A HEALTHY CLIMATE INFRASTRUCTURE FUND.

19 (B) (1) THE PURPOSE OF THE INFRASTRUCTURE FUND IS TO INVEST IN  
20 INITIATIVES THAT IMPROVE THE HEALTH AND WELFARE OF THE CITIZENS OF THE  
21 STATE.

22 (2) THESE INITIATIVES SHALL INVEST THE MONEY IN THE  
23 INFRASTRUCTURE FUND AS FOLLOWS:

24 (I) 40% TO CREATE A CLEANER, MORE JUST, AND EFFICIENT  
25 TRANSPORTATION SECTOR THROUGHOUT THE STATE;

26 (II) 25% TO EXPAND THE USE OF CLEAN ENERGY SOURCES AND  
27 ENERGY EFFICIENCY IN THE ELECTRICITY AND OTHER ENERGY CONSUMING  
28 SECTORS;

29 (III) 25% TO PROVIDE FUNDING FOR RESILIENCY AGAINST  
30 CLIMATE CHANGE AND WEATHER EVENTS THAT HAVE AN IMPACT ON THE LIVES OF

1 THE CITIZENS OF THE STATE AND ITS ECONOMY; AND

2 (IV) 10% TO ORGANIZE AND FUND PROGRAMS THAT PROMOTE A  
3 JUST TRANSITION FOR STATE RESIDENTS WHO HAVE LOST JOBS AS A RESULT OF  
4 THE INITIATIVE.

5 (3) AS A PRIORITY, THE INVESTMENTS UNDER PARAGRAPH (2) OF  
6 THIS SUBSECTION SHALL PROVIDE LOW- AND MODERATE-INCOME RESIDENTS OF  
7 THE STATE ACCESS TO AFFORDABLE RENEWABLE ENERGY, ENERGY EFFICIENCY,  
8 AND PUBLIC TRANSPORTATION.

9 (4) WHEREVER FEASIBLE, INVESTMENTS UNDER PARAGRAPH (2) OF  
10 THIS SUBSECTION SHALL ALSO BE DESIGNED TO CREATE LOCAL ECONOMIC  
11 DEVELOPMENT AND EMPLOYMENT IN THE STATE.

12 (C) THE DEPARTMENT SHALL ADMINISTER THE INFRASTRUCTURE FUND.

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

16 (2) THE STATE TREASURER SHALL HOLD THE INFRASTRUCTURE  
17 FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE  
18 INFRASTRUCTURE FUND.

19 (E) THE INFRASTRUCTURE FUND CONSISTS OF:

20 (1) 30% OF THE PROCEEDS OF THE GREENHOUSE GAS POLLUTION  
21 CHARGES COLLECTED UNDER § 2-1217 OF THIS SUBTITLE;

22 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE  
23 INFRASTRUCTURE FUND; AND

24 (3) ANY OTHER MONEY FROM ANY SOURCE ACCEPTED FOR THE  
25 BENEFIT OF THE INFRASTRUCTURE FUND.

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

27 (1) PURPOSES AUTHORIZED UNDER THIS SECTION; AND

28 (2) ADMINISTRATION OF THE INFRASTRUCTURE FUND, NOT TO  
29 EXCEED 5% OF THE MONEY IN THE INFRASTRUCTURE FUND.

1           **(G) (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           **(H) (1) IN CONSULTATION AND COLLABORATION WITH LOCAL**  
7 **GOVERNMENTS, THE INFRASTRUCTURE FUND SHALL DISTRIBUTE AT LEAST**  
8 **ONE-HALF OF ITS MONEY TO OR FOR THE BENEFIT OF NEIGHBORHOODS AND LOCAL**  
9 **GOVERNMENTS, IN PROPORTION TO THE NUMBER OF RESIDENTS WITHIN THE**  
10 **JURISDICTION OF EACH LOCAL GOVERNMENT, FOR THE PURPOSES IDENTIFIED IN**  
11 **SUBSECTION (B) OF THIS SECTION.**

12           **(2) THE REMAINING MONEY IN THE INFRASTRUCTURE FUND SHALL**  
13 **BE USED TO SUPPORT STATE GOVERNMENTAL PROGRAMS FOR THE PURPOSES**  
14 **IDENTIFIED IN SUBSECTION (B) OF THIS SECTION.**

15           **(3) DISBURSEMENTS SHALL BE AWARDED ON APPROVAL BY THE**  
16 **SECRETARY.**

17           **(4) PRIORITY DISBURSEMENTS SHALL BE AWARDED TO PROJECTS**  
18 **THAT ARE CONSISTENT WITH INVESTMENT PRINCIPLES ESTABLISHED BY THE**  
19 **SECRETARY IN CONSULTATION WITH THE INFRASTRUCTURE FUND ADVISORY**  
20 **BOARD.**

21           **(5) AS A PRIORITY, MONEY FROM THE INFRASTRUCTURE FUND**  
22 **SHALL BE DISTRIBUTED TO OR USED FOR THE BENEFIT OF NEIGHBORHOODS AND**  
23 **LOCAL GOVERNMENTS WITH MEDIAN INCOMES PER HOUSEHOLD IN THE LOWEST**  
24 **THIRD OF MEDIAN INCOMES FOR ALL LOCAL GOVERNMENTS IN THE STATE.**

25 **2-1219.**

26           **(A) THERE IS A HOUSEHOLD AND EMPLOYER REBATE FUND.**

27           **(B) THE PURPOSE OF THE REBATE FUND IS TO PROVIDE REBATES TO**  
28 **HOUSEHOLDS AND EMPLOYERS IN THE STATE IN ORDER TO OFFSET INCREASED**  
29 **COSTS OF FUELS AND ELECTRICITY RESULTING FROM THE INITIATIVE.**

30           **(C) THE INTENT OF THE REBATE FUND IS TO:**

31           **(1) PROVIDE A HIGH DEGREE OF PROTECTION FOR LOW- AND**  
32 **MODERATE-INCOME HOUSEHOLDS, SPECIFICALLY THE LOWER THREE-FIFTHS OF**



1 HOUSEHOLDS RANKED BY INCOME; AND

2 (2) PROTECT VULNERABLE EMPLOYERS, INCLUDING THOSE IN  
3 AGRICULTURE, MANUFACTURERS, SMALL NONPROFIT ORGANIZATIONS, AND  
4 GOVERNMENTAL UNITS.

5 (D) THE SECRETARY SHALL ADMINISTER THE REBATE FUND.

6 (E) (1) THE REBATE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT  
7 SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND  
8 PROCUREMENT ARTICLE.

9 (2) THE STATE TREASURER SHALL HOLD THE REBATE FUND  
10 SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE REBATE FUND.

11 (F) THE REBATE FUND CONSISTS OF:

12 (1) THE EXCESS GREENHOUSE GAS POLLUTION CHARGES  
13 COLLECTED UNDER § 2-1217 OF THIS SUBTITLE THAT REMAIN AFTER DISTRIBUTION  
14 OF MONEY TO THE INFRASTRUCTURE FUND UNDER § 2-1218 OF THIS SUBTITLE;

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

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

19 (G) THE REBATE FUND MAY BE USED ONLY FOR:

20 (1) PAYMENT OF REBATES UNDER THIS SECTION; AND

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

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

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

27 (I) IN THE REBATE FUND THERE ARE THE FOLLOWING SEPARATE  
28 ACCOUNTS:

1           **(1) THE HOUSEHOLD REBATE ACCOUNT, WHICH CONSISTS OF 85%**  
2 **OF THE MONEY IN THE REBATE FUND; AND**

3           **(2) THE EMPLOYER REBATE ACCOUNT, WHICH CONSISTS OF 15% OF**  
4 **THE MONEY IN THE REBATE FUND.**

5           **(J) (1) (I) MONEY IN THE HOUSEHOLD REBATE ACCOUNT SHALL BE**  
6 **DISTRIBUTED IN ACCORDANCE WITH THIS SUBSECTION.**

7                   **(II) 1. 25% SHALL BE DISTRIBUTED TO HOUSEHOLDS IN**  
8 **QUINTILE 1.**

9                           **2. THE QUINTILE 1 DISTRIBUTION SHALL BE DIVIDED BY**  
10 **THE SUM OF THE ADULT RESIDENTS IN QUINTILE 1 PLUS ONE-HALF THE MINOR**  
11 **RESIDENTS IN QUINTILE 1, WITH THE RESULTING NUMBER TERMED THE QUINTILE**  
12 **1 INITIAL REBATE.**

13                                   **3. EACH HOUSEHOLD IN QUINTILE 1 SHALL RECEIVE A**  
14 **REBATE EQUAL TO THE NUMBER OF ADULT RESIDENTS IN THE HOUSEHOLD TIMES**  
15 **THE QUINTILE 1 INITIAL REBATE, PLUS THE NUMBER OF MINOR RESIDENTS IN THE**  
16 **HOUSEHOLD TIMES ONE-HALF THE QUINTILE 1 INITIAL REBATE.**

17                   **(III) 1. 20% SHALL BE DISTRIBUTED TO HOUSEHOLDS IN**  
18 **QUINTILE 2.**

19                           **2. THE QUINTILE 2 DISTRIBUTION SHALL BE DIVIDED BY**  
20 **THE SUM OF THE ADULT RESIDENTS IN QUINTILE 2 PLUS ONE-HALF THE MINOR**  
21 **RESIDENTS IN QUINTILE 2, WITH THE RESULTING NUMBER TERMED THE QUINTILE**  
22 **2 INITIAL REBATE.**

23                                   **3. EACH HOUSEHOLD IN QUINTILE 2 SHALL RECEIVE A**  
24 **REBATE EQUAL TO THE NUMBER OF ADULT RESIDENTS IN THE HOUSEHOLD TIMES**  
25 **THE QUINTILE 2 INITIAL REBATE, PLUS THE NUMBER OF MINOR RESIDENTS IN THE**  
26 **HOUSEHOLD TIMES ONE-HALF THE QUINTILE 2 INITIAL REBATE.**

27                   **(IV) 1. 15% SHALL BE DISTRIBUTED TO THE HOUSEHOLDS IN**  
28 **QUINTILE 3.**

29                           **2. THE QUINTILE 3 DISTRIBUTION SHALL BE DIVIDED BY**  
30 **THE SUM OF THE ADULT RESIDENTS IN QUINTILE 3 PLUS ONE-HALF THE MINOR**  
31 **RESIDENTS IN QUINTILE 3, WITH THE RESULTING NUMBER TERMED THE QUINTILE**  
32 **3 INITIAL REBATE.**

1                   **3. EACH HOUSEHOLD IN QUINTILE 3 SHALL RECEIVE A**  
2 **REBATE EQUAL TO THE NUMBER OF ADULT RESIDENTS IN THE HOUSEHOLD TIMES**  
3 **THE QUINTILE 3 INITIAL REBATE, PLUS THE NUMBER OF MINOR RESIDENTS IN THE**  
4 **HOUSEHOLD TIMES ONE-HALF THE QUINTILE 3 INITIAL REBATE.**

5                   **(2) 10% OF THE MONEY THAT DERIVES FROM CHARGES COLLECTED**  
6 **ON THE DIRECT SALE OF HEATING FUELS TO HOUSEHOLDS SHALL BE ALLOCATED**  
7 **TO THE MARYLAND ENERGY ASSISTANCE PROGRAM AND TRANSFERRED TO THE**  
8 **DEPARTMENT OF HUMAN SERVICES FOR USE BY THE PROGRAM.**

9                   **(3) HOUSEHOLDS THAT HEAT WITH FUEL OIL SHALL RECEIVE AN**  
10 **ADDITIONAL REBATE BASED ON THE AVERAGE DIFFERENCE IN ANNUAL CHARGES IN**  
11 **THE STATE ATTRIBUTABLE TO HOMES HEATED WITH FUEL OIL AND HOMES HEATED**  
12 **WITH NATURAL GAS.**

13                   **(4) (I) THE MONEY REMAINING IN THE HOUSEHOLD REBATE**  
14 **ACCOUNT AFTER THE ALLOCATION OF MONEY IN PARAGRAPHS (1) THROUGH (3) OF**  
15 **THIS SUBSECTION SHALL BE DIVIDED BY THE TOTAL REBATE SHARES, WITH THE**  
16 **RESULTING NUMBER TERMED THE REMAINING REBATE PER ADULT RESIDENT.**

17                   **(II) EACH HOUSEHOLD SHALL RECEIVE A REBATE EQUAL TO**  
18 **THE REMAINING REBATE PER ADULT RESIDENT TIMES THE NUMBER OF ADULT**  
19 **RESIDENTS IN THE HOUSEHOLD PLUS THE REMAINING REBATE PER ADULT**  
20 **RESIDENT TIMES ONE-HALF THE NUMBER OF MINOR RESIDENTS IN THE**  
21 **HOUSEHOLD.**

22                   **(5) IN REBATING GREENHOUSE GAS POLLUTION CHARGE PROCEEDS**  
23 **FROM THE HOUSEHOLD REBATE ACCOUNT, THE SECRETARY SHALL COORDINATE**  
24 **WITH THE COMPTROLLER, THE DEPARTMENT OF HOUSING AND COMMUNITY**  
25 **DEVELOPMENT, THE DEPARTMENT OF HUMAN SERVICES, AND OTHER UNITS IN**  
26 **MAKING ALL REASONABLE EFFORTS TO IDENTIFY THE NAMES AND ADDRESSES OF**  
27 **ALL RESIDENTS, WITH SPECIAL ATTENTION TO THE NAMES AND ADDRESSES OF**  
28 **LOW-INCOME RESIDENTS, SO THAT THEY CAN RECEIVE REBATES EXPEDITIOUSLY.**

29                   **(K) (1) MONEY IN THE EMPLOYER REBATE ACCOUNT SHALL BE**  
30 **DISTRIBUTED IN ACCORDANCE WITH THIS SUBSECTION.**

31                   **(2) THE SECRETARY SHALL USE THE MONEY IN THE EMPLOYER**  
32 **REBATE ACCOUNT TO PROVIDE REBATES TO EMPLOYERS.**

33                   **(3) (I) THE SECRETARY, IN CONSULTATION WITH THE SECRETARY**  
34 **OF COMMERCE, THE SECRETARY OF LABOR, LICENSING, AND REGULATION, AND**  
35 **THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, SHALL, WITH**

1 SPECIAL ATTENTION TO MANUFACTURING, AGRICULTURE, SMALL NONPROFIT  
2 ORGANIZATIONS, AND GOVERNMENTAL UNITS, IDENTIFY ECONOMIC SECTORS OR  
3 ECONOMIC SUBSECTORS AT RISK OF SERIOUS NEGATIVE IMPACTS AS A  
4 CONSEQUENCE OF THE CHARGES COLLECTED UNDER THIS PART.

5 (II) THE SECRETARY SHALL, AS MITIGATION, CALCULATE THE  
6 TOTAL PROCEEDS COLLECTED FROM THESE SECTORS OR SUBSECTORS AND MAY  
7 APPORTION PART OR ALL OF THE PROCEEDS TO THE AFFECTED SECTOR OR  
8 SUBSECTOR.

9 (III) IN ORDER TO PROVIDE THIS MITIGATION, THE SECRETARY  
10 SHALL DEMONSTRATE:

11 1. FOR MANUFACTURERS, AGRICULTURE, AND  
12 FOR-PROFIT EMPLOYERS, THAT THE IMPACTS ARE LIKELY TO OCCUR DUE TO  
13 COMPETITION FROM EMPLOYERS OUTSIDE THE STATE IN COMBINATION WITH  
14 ENERGY COSTS CONSTITUTING A SUBSTANTIAL FRACTION OF TOTAL OPERATING  
15 COSTS IN THE ECONOMIC SECTOR OR SUBSECTOR; AND

16 2. FOR NONPROFIT ORGANIZATIONS AND  
17 GOVERNMENTAL UNITS, THAT THESE ENTITIES WOULD FACE UNDUE BURDENS  
18 WITHOUT THE MITIGATION.

19 (4) MONEY REMAINING IN THE EMPLOYER REBATE ACCOUNT AFTER  
20 DISTRIBUTIONS UNDER PARAGRAPH (3) OF THIS SUBSECTION ARE CALCULATED  
21 SHALL BE DISTRIBUTED TO ALL EMPLOYERS IN THE STATE BASED ON THEIR  
22 PROPORTIONAL SHARE, IN FULL-TIME EQUIVALENT EMPLOYEES, OF TOTAL  
23 EMPLOYMENT IN THE STATE.

24 (L) MONEY DISTRIBUTED AS A REBATE UNDER THIS SECTION:

25 (1) MAY NOT BE INCLUDED IN TAXABLE INCOME FOR PURPOSES OF  
26 ANY STATE OR LOCAL INCOME TAX; AND

27 (2) SHALL, TO THE EXTENT FEASIBLE, BE EXCLUDED FROM  
28 HOUSEHOLD INCOME FOR PURPOSES OF DETERMINING ELIGIBILITY FOR, OR THE  
29 LEVEL OF, ANY FORM OF PUBLIC ASSISTANCE.

30 2-1220.

31 (A) THERE IS A HEALTHY CLIMATE INFRASTRUCTURE FUND ADVISORY  
32 BOARD.

1           **(B) THE ADVISORY BOARD CONSISTS OF:**

2                   **(1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;**

3                   **(2) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT,**  
4 **OR THE SECRETARY'S DESIGNEE;**

5                   **(3) THE SECRETARY OF HUMAN SERVICES, OR THE SECRETARY'S**  
6 **DESIGNEE;**

7                   **(4) THE CHAIR OF THE COMMISSION, OR THE CHAIR'S DESIGNEE;**

8                   **(5) THE DIRECTOR OF THE MARYLAND ENERGY ADMINISTRATION;**

9                   **(6) ONE REPRESENTATIVE OF THE MARYLAND ASSOCIATION OF**  
10 **COUNTIES;**

11                   **(7) ONE REPRESENTATIVE OF THE MARYLAND MUNICIPAL LEAGUE;**

12                   **(8) TWO REPRESENTATIVES FROM REGIONAL PLANNING**  
13 **ASSOCIATIONS REPRESENTING DIFFERENT REGIONS OF THE STATE;**

14                   **(9) ONE MEMBER REPRESENTING THE INTERESTS OF LARGE**  
15 **BUSINESSES;**

16                   **(10) ONE MEMBER REPRESENTING THE INTERESTS OF SMALL**  
17 **BUSINESSES;**

18                   **(11) ONE MEMBER REPRESENTING THE INTERESTS OF LABOR;**

19                   **(12) TWO MEMBERS REPRESENTING THE INTERESTS OF THE**  
20 **ENVIRONMENT;**

21                   **(13) ONE MEMBER REPRESENTING THE INTERESTS OF AGRICULTURE;**

22                   **(14) TWO MEMBERS REPRESENTING THE INTERESTS OF**  
23 **LOW-INCOME RESIDENTS; AND**

24                   **(15) TWO MEMBERS REPRESENTING THE INTERESTS OF COMMUNITY**  
25 **DEVELOPMENT ORGANIZATIONS.**

26           **(C) THE SECRETARY OR THE SECRETARY'S DESIGNEE SHALL SERVE AS THE**  
27 **CHAIR OF THE ADVISORY BOARD.**

1 (D) THE ADVISORY BOARD SHALL ASSIST THE SECRETARY IN DEVELOPING  
2 CRITERIA FOR PROVIDING GRANTS FROM THE INFRASTRUCTURE FUND.

3 2-1221.

4 (A) THE SECRETARY MAY NOT BE SUBJECT TO PENALTIES OR ACTIONS FOR  
5 DAMAGES IF THE CHARGES COLLECTED UNDER THIS PART ARE NOT PRECISELY  
6 EQUAL TO REBATES RETURNED UNDER THIS PART.

7 (B) THE SECRETARY SHALL MAKE ALL REASONABLE EFFORTS TO RETURN  
8 TO RESIDENTS AND EMPLOYERS IN THE AGGREGATE ALL CHARGES COLLECTED  
9 UNDER THIS PART OTHER THAN MONEY DEPOSITED IN THE INFRASTRUCTURE  
10 FUND.

11 2-1222.

12 (A) (1) THE SECRETARY SHALL CONSIDER ALTERNATIVE CALENDAR  
13 SCHEDULES FOR DISTRIBUTION OF THE REBATES AUTHORIZED UNDER THIS PART,  
14 INCLUDING PARTIAL OR WHOLE DISTRIBUTIONS EARLY IN THE RELEVANT REVENUE  
15 CYCLE AND ON A REGULAR BASIS THROUGHOUT THE REVENUE CYCLE.

16 (2) THE METHOD AND SCHEDULE OF DISTRIBUTIONS SHALL TAKE  
17 INTO ACCOUNT:

18 (I) THE NEEDS OF RESIDENTS AND EMPLOYERS,  
19 PARTICULARLY LOW-INCOME HOUSEHOLDS, TO OBTAIN REBATES CORRESPONDING  
20 TO THE TIME SCHEDULE WHEN THEY WILL BE PAYING GREENHOUSE GAS POLLUTION  
21 CHARGES;

22 (II) THE NEED TO MAKE CLEAR TO RESIDENTS AND EMPLOYERS  
23 THAT THEY ARE RECEIVING A REBATE OF GREENHOUSE GAS POLLUTION CHARGES  
24 THAT IS SEPARATE FROM OTHER TRANSACTIONS THEY MAY HAVE WITH THE STATE;  
25 AND

26 (III) THE NEED TO MINIMIZE THE ADMINISTRATIVE COSTS OF  
27 THE INITIATIVE.

28 (B) THE SECRETARY, IN CONSULTATION WITH THE COMMISSION, THE  
29 SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, AND THE SECRETARY  
30 OF HUMAN SERVICES, EACH YEAR SHALL IDENTIFY MEASURES AND PROGRAMS  
31 BEST CALCULATED TO ENSURE THE PROVISION OF LOW-INCOME ENERGY  
32 ASSISTANCE AND IMPROVEMENTS IN THE ENERGY EFFICIENCY OF

1 RENTER–OCCUPIED DWELLINGS IN THE STATE.

2 (C) THE SECRETARY MAY ISSUE ADDITIONAL REBATES OR DECLARE  
3 EXEMPTIONS FROM CHARGES IN INSTANCES WHERE CHARGES HAVE BEEN PAID BUT  
4 NO EMISSIONS HAVE OCCURRED OR ARE ANTICIPATED TO OCCUR.

5 (D) (1) ON OR BEFORE JULY 1, 2022, THE SECRETARY SHALL STUDY AND  
6 REPORT ON THE FEASIBILITY OF IMPOSING AND COLLECTING ADDITIONAL  
7 GREENHOUSE GAS EMISSION CHARGES ON FUGITIVE EMISSIONS ATTRIBUTABLE TO  
8 LEAKAGE FROM NATURAL GAS INFRASTRUCTURE.

9 (2) THE REPORT SHALL INCLUDE AN ANALYSIS OF THE FEASIBILITY  
10 AND EXPENSE OF:

11 (I) CALCULATING A REASONABLY ACCURATE CURRENT  
12 STATISTICAL BASELINE, SPECIFIC TO THE STATE, OF FUGITIVE EMISSIONS; AND

13 (II) DEVELOPING AND DEPLOYING A MEANS OF CALCULATING  
14 REASONABLY ACCURATE UPDATES OF PROGRESS OR LACK OF PROGRESS IN  
15 REDUCING FUGITIVE EMISSIONS.

16 (3) THE SECRETARY SHALL SUBMIT THE REPORT, INCLUDING ANY  
17 RECOMMENDED LEGISLATIVE OR REGULATORY CHANGES, TO THE GOVERNOR AND,  
18 IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE  
19 GENERAL ASSEMBLY.

20 (4) THE REPORT MAY BE INCLUDED IN THE REPORT REQUIRED  
21 UNDER § 2–1217(P) OF THIS SUBTITLE.

22 (E) (1) ON OR BEFORE JULY 1, 2022, THE SECRETARY SHALL PREPARE A  
23 REPORT ON OPTIONS FOR AND THE IMPLICATIONS OF COLLECTING CHARGES FOR  
24 EMISSIONS OF CARBON DIOXIDE EQUIVALENTS RESULTING FROM  
25 CARBON–GENERATED ELECTRICITY PRODUCED OR DISTRIBUTED IN THE STATE.

26 (2) THE REPORT SHALL INCLUDE CONSIDERATION OF THE  
27 IMPLICATIONS OF POTENTIAL EFFECTS ON THE MARKET FOR EMISSION  
28 ALLOWANCES CREATED BY THE REGIONAL GREENHOUSE GAS INITIATIVE OR A  
29 SIMILAR INITIATIVE FOR TRANSPORTATION OR ANY OTHER SECTOR.

30 (3) THE REPORT MAY BE INCLUDED IN THE REPORT REQUIRED  
31 UNDER § 2–1217(P) OF THIS SUBTITLE.

32 2–1223.

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

3                                   **Article – State Finance and Procurement**

4 6–226.

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

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

13                                   112.   the Pretrial Services Program Grant Fund; [and]

14                                   113.   the Veteran Employment and Transition Success Fund;

15                                   114.   **THE HEALTHY CLIMATE INFRASTRUCTURE FUND;**

16 **AND**

17                                   **115.   THE HOUSEHOLD AND EMPLOYER REBATE FUND.**

18           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
19 1, 2019.