

HOUSE BILL 504

M5, M3, P1

9lr1230

By: **Delegates Charkoudian, Fennell, Fraser–Hidalgo, Lafferty, Lehman, R. Lewis, Lopez, Moon, Queen, Smith, Stein, Stewart, and Wilkins**

Introduced and read first time: February 4, 2019

Assigned to: Appropriations

A BILL ENTITLED

AN ACT concerning

Purchase of Motor Vehicles and Building Construction, Renovation, Rehabilitation, and Modification – Social Cost of Carbon Emissions

FOR the purpose of requiring that, on and after a certain date, certain standards for purchase of vehicles by the Department of General Services include the social cost of certain carbon emissions as part of a life–cycle cost; requiring that the social cost of carbon emissions be calculated in accordance with a certain provision of law; requiring the Department of Budget and Management to adopt certain regulations on or before a certain date; requiring the Department of General Services to calculate the social cost of carbon emissions during the preliminary design phase of the construction or renovation of any building; requiring each construction appropriation to require a State agency to obtain from the Department of General Services a projection of the social cost of carbon emissions for a certain construction project; requiring the Department of General Services to, on and after a certain date, include the social cost of carbon emissions when estimating a return on investment for energy efficient and clean energy options when conducting an evaluation of certain projects; requiring the University of Maryland Center for Environmental Science to, on or before a certain date, conduct an initial calculation of the social cost of carbon emissions in accordance with certain guidelines and documents; requiring the University of Maryland Center for Environmental Science to, on or before a certain date and with a certain frequency, review and modify a certain calculation; requiring the University of Maryland Center for Environmental Science to, on or before a certain date and with a certain frequency, submit a certain report to the Governor, the Department of General Services, the Department of Budget and Management, and the General Assembly; specifying the contents of the report; requiring the Department of General Services to adopt certain regulations on or before a certain date; and generally relating to the social cost of carbon emissions associated with the purchase of motor vehicles and building construction, renovation, rehabilitation, and modification.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



BY repealing and reenacting, with amendments,
 Article – State Finance and Procurement
 Section 3–502 and 4–803
 Annotated Code of Maryland
 (2015 Replacement Volume and 2018 Supplement)

BY adding to
 Article – State Finance and Procurement
 Section 4–808.1
 Annotated Code of Maryland
 (2015 Replacement Volume and 2018 Supplement)

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

Article – State Finance and Procurement

3–502.

(a) Consistent with Division II of this article, the Secretary shall approve and submit to the Board of Public Works for concurrence:

(1) standards for purchase by the Department of General Services of motor vehicles for State use; and

(2) all leases or rentals of motor vehicles for use by officials or employees of any unit of the Executive Branch of the State government, other than any individual motor vehicle lease or rental made under the Standard State Travel Regulations.

(b) **(1)** As far as practicable and feasible, the standards for purchase of motor vehicles shall:

(I) be based on the lowest possible [life cycle] **LIFE–CYCLE** cost;

AND

(II) **ON AND AFTER JULY 1, 2020, INCLUDE THE SOCIAL COST OF CARBON EMISSIONS ASSOCIATED WITH ENGINE TYPE, FUEL TYPE, AND POLLUTION REDUCTION SYSTEMS AS PART OF THE LIFE–CYCLE COST.**

(2) **THE SOCIAL COST OF CARBON EMISSIONS SHALL BE CALCULATED IN ACCORDANCE WITH § 4–808.1 OF THIS ARTICLE.**

(c) The purchase of State–owned motor vehicles for any unit of the Executive Branch of the State government shall be reviewed and approved by the Secretary before the purchase to ensure compliance with this section and § 3–503 of this subtitle and any implementing regulations.

(D) ON OR BEFORE JANUARY 1, 2020, THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

4-803.

(a) To save both cost and energy, the Department, in cooperation with the Maryland Energy Administration, shall project life-cycle costs [and], perform an energy consumption analysis, **AND CALCULATE THE SOCIAL COST OF CARBON EMISSIONS** during the preliminary design phase of the construction or renovation of any building.

(b) Each construction appropriation shall require a State agency, including a district school board, to obtain a projection of life-cycle costs [and], an energy consumption analysis, **AND THE SOCIAL COST OF CARBON EMISSIONS FOR THE CONSTRUCTION PROJECT** from the Department.

4-808.1.

(A) ON AND AFTER JULY 1, 2020, THE DEPARTMENT SHALL INCLUDE THE SOCIAL COST OF CARBON EMISSIONS WHEN ESTIMATING A RETURN ON INVESTMENT FOR ENERGY EFFICIENT AND CLEAN ENERGY OPTIONS WHEN CONDUCTING AN EVALUATION OF:

- (1) THE CONSTRUCTION OF A NEW BUILDING OR FACILITY;**
- (2) THE MAJOR RENOVATION OR REHABILITATION OF A BUILDING OR FACILITY; OR**
- (3) OTHER MODIFICATIONS TO A BUILDING'S OR FACILITY'S ENERGY EFFICIENCY OR ENERGY SOURCE.**

(B) (1) ON OR BEFORE JANUARY 1, 2020, THE UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE SHALL CONDUCT AN INITIAL CALCULATION OF THE SOCIAL COST OF CARBON EMISSIONS IN ACCORDANCE WITH:

(I) THE U.S. ENVIRONMENTAL PROTECTION AGENCY'S 2015 CARBON POLLUTION EMISSION GUIDELINES FOR EXISTING STATIONARY SOURCES: ELECTRIC UTILITY GENERATING UNITS; AND

(II) THE INTERAGENCY WORKING GROUP ON SOCIAL COST OF GREENHOUSE GASES' 2016 TECHNICAL SUPPORT DOCUMENT: TECHNICAL UPDATE OF THE SOCIAL COST OF CARBON FOR REGULATORY IMPACT ANALYSIS.

- (2) ON OR BEFORE JANUARY 1, 2025, AND EACH JANUARY 1 EVERY 5**

YEARS THEREAFTER, THE UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE SHALL REVIEW AND MODIFY, AS NECESSARY, THE CALCULATION FOR ESTIMATING THE SOCIAL COST OF CARBON EMISSIONS IN ACCORDANCE WITH THE REPORT REQUIRED UNDER SUBSECTION (C) OF THIS SECTION.

(C) (1) ON OR BEFORE JANUARY 1, 2020, AND EACH JANUARY 1 EVERY 5 YEARS THEREAFTER, THE UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE SHALL SUBMIT A REPORT TO THE GOVERNOR, THE DEPARTMENT, THE DEPARTMENT OF BUDGET AND MANAGEMENT, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE FEDERAL GUIDELINES FOR ESTIMATING THE SOCIAL COST OF CARBON EMISSIONS.

(2) THE REPORT SHALL:

(I) INCLUDE A REVIEW OF FEDERAL GUIDELINES FOR ESTIMATING THE SOCIAL COST OF CARBON EMISSIONS; AND

(II) DETERMINE:

1. WHETHER THE FEDERAL GUIDELINES ARE APPROPRIATE TO USE IN THE STATE;

2. WHETHER THE FEDERAL GUIDELINES SHOULD BE MODIFIED TO BETTER REFLECT MARYLAND'S CLIMATE GOALS; AND

3. IF THE FEDERAL GUIDELINES SHOULD BE MODIFIED, WHAT MODIFICATIONS THE UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE INTENDS TO MAKE.

(D) ON OR BEFORE JANUARY 1, 2020, THE DEPARTMENT OF GENERAL SERVICES SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

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