

# 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

AN ACT concerning

### **Healthy Climate Initiative**

FOR the purpose of establishing a Healthy Climate Initiative in the Department of the Environment for certain purposes; requiring the Secretary of the Environment to administer certain schedules of greenhouse gas pollution charges; requiring the Secretary to delegate certain collection and rebate functions to the Comptroller; requiring the Comptroller to carry out certain functions; requiring the collection of a certain greenhouse gas pollution charge on certain fuels and certain greenhouse gas-emitting priorities for certain purposes; requiring the Secretary to make a certain determination in consultation with the Public Service Commission; requiring the Secretary to make a certain estimate using certain information; providing for the assessment of a certain charge at a certain rate in certain years, subject to a certain condition; providing for the reduction of a certain charge for certain sequestered emissions; requiring the collection of a certain charge on certain products at their first point of sale in the State; requiring each electric distribution company and each competitive electricity supplier to pay in a certain manner a certain charge calculated in a certain manner; providing for the deduction of certain amounts from a certain charge in a certain manner; requiring the Department to determine the fuel used at certain generating plants in a certain manner; requiring the payment of a certain charge quarterly with an annual reconciliation; requiring each electricity supplier to file certain information with the Commission by a certain date each year for certain purposes; requiring the Commission to open a docket for certain purposes; requiring the Commission to issue a certain order under certain circumstances; requiring certain persons generating a certain amount of electricity to pay a certain charge calculated in a certain manner; requiring certain natural gas distribution companies to pay a certain charge calculated in a certain manner; requiring the Secretary to determine a certain charge for certain fugitive emissions for the purpose of determining a certain additional charge; exempting certain governmental units from the charge under this Act; providing for the initial date of collection of a certain charge; requiring the Secretary to determine certain matters for identifying certain 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.



the Secretary to prepare certain reports periodically considering certain matters and to submit the reports to the Governor and the General Assembly; prohibiting the imposition of certain charges if superseded by federal law or regulation; establishing a Healthy Climate Infrastructure Fund as a special, nonlapsing fund for certain purposes; providing for the administration and functioning of the Infrastructure Fund; providing for the investment of money in and expenditures from the Infrastructure Fund; requiring interest earnings of the Infrastructure Fund to be credited to the Infrastructure Fund; providing for the distribution of money from the Infrastructure Fund to certain local governments and State programs in a certain manner for certain purposes; establishing certain priorities for certain disbursements; establishing a Household and Employer Rebate Fund as a special, nonlapsing fund for certain purposes; providing for the administration and functioning of the Rebate Fund; providing for the investment of money in and expenditures from the Rebate Fund; requiring interest earnings of the Rebate Fund to be credited to the Rebate Fund; establishing certain accounts in the Rebate Fund for certain purposes; providing for the distribution of money in the Household Rebate Account and the Employer Rebate Account in certain manners for certain purposes; providing that certain money distributed as a rebate under this Act may not be included in taxable income for purposes of any State or local income tax; providing that certain money distributed as a rebate shall be excluded from household income for certain purposes; establishing a Healthy Climate Infrastructure Fund Advisory Board with certain membership for certain purposes; providing that the Secretary is not subject to penalties or actions for damages for certain actions under this Act; requiring the Secretary to make certain efforts to return certain charges to certain persons in a certain manner; requiring the Secretary to consider certain alternative calendar schedules for certain purposes; requiring the Secretary to identify certain measures and programs annually in consultation with certain units; authorizing the Secretary to issue certain additional rebates or declare certain exemptions; requiring the Secretary to study and report on certain matters to the Governor and the General Assembly by a certain date; requiring the Secretary to adopt certain regulations in consultation with the Commission; exempting the Infrastructure Fund and the Rebate Fund from a certain provision of law requiring interest earnings on State money to accrue to the General Fund of the State; defining certain terms; and generally relating to the Healthy Climate Initiative and greenhouse gas emissions reductions.

BY adding to

Article – Environment

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

Annotated Code of Maryland

(2013 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,

Article – Environment

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

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

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

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

BY adding to  
Article – State Finance and Procurement  
Section 6–226(a)(2)(ii)114. and 115.  
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 – Environment**

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

2–1201.

The General Assembly finds that:

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

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

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

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

economic well-being;

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

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

2-1202.

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

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

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

(d) "Direct emissions reduction" means a reduction of greenhouse gas emissions from a greenhouse gas emissions source.

(e) "Greenhouse gas" includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

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

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

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

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

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

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

(iii) Research and development activities.

(3) “Manufacturing” does not include:

(i) Activities that are primarily a service;

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

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

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

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

**2-1212. RESERVED.**

**2-1213. RESERVED.**

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

**2-1214.**

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

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

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

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

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

**PUBLIC UTILITIES ARTICLE.**

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

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

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

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

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

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

(I) NATURAL GAS;

(II) PETROLEUM;

(III) COAL; AND

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

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

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

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

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

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

(M) “MINOR RESIDENT” MEANS A RESIDENT OF THE STATE UNDER THE AGE OF 18 YEARS.

(N) “MOTOR FUEL” HAS THE MEANING STATED IN § 9-101 OF THE TAX – GENERAL ARTICLE.

(O) “MOTOR VEHICLE” HAS THE MEANING STATED IN § 9-101 OF THE TAX – GENERAL ARTICLE.

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

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

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

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

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

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

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

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

2-1215.

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

(B) THE INITIATIVE PROVIDES FOR:

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

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

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

**2-1216.**

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

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

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

**2-1217.**

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) AN ELECTRICITY SUPPLIER SHALL:

(I) PAY THE CHARGE AT LEAST QUARTERLY; AND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(I) ACCOUNT FOR INFLATION;

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

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

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

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

2-1218.

(A) THERE IS A HEALTHY CLIMATE INFRASTRUCTURE FUND.

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

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

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

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

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

THE CITIZENS OF THE STATE AND ITS ECONOMY; AND

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

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

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

(C) THE DEPARTMENT SHALL ADMINISTER THE INFRASTRUCTURE FUND.

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

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

(E) THE INFRASTRUCTURE FUND CONSISTS OF:

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

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

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

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

(1) PURPOSES AUTHORIZED UNDER THIS SECTION; AND

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

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

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

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

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

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

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

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

**2-1219.**

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

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

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

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



**HOUSEHOLDS RANKED BY INCOME; AND**

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

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

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

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

**(F) THE REBATE FUND CONSISTS OF:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2-1220.

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

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

- (1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;**
- (2) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, OR THE SECRETARY'S DESIGNEE;**
- (3) THE SECRETARY OF HUMAN SERVICES, OR THE SECRETARY'S DESIGNEE;**
- (4) THE CHAIR OF THE COMMISSION, OR THE CHAIR'S DESIGNEE;**
- (5) THE DIRECTOR OF THE MARYLAND ENERGY ADMINISTRATION;**
- (6) ONE REPRESENTATIVE OF THE MARYLAND ASSOCIATION OF COUNTIES;**
- (7) ONE REPRESENTATIVE OF THE MARYLAND MUNICIPAL LEAGUE;**
- (8) TWO REPRESENTATIVES FROM REGIONAL PLANNING ASSOCIATIONS REPRESENTING DIFFERENT REGIONS OF THE STATE;**
- (9) ONE MEMBER REPRESENTING THE INTERESTS OF LARGE BUSINESSES;**
- (10) ONE MEMBER REPRESENTING THE INTERESTS OF SMALL BUSINESSES;**
- (11) ONE MEMBER REPRESENTING THE INTERESTS OF LABOR;**
- (12) TWO MEMBERS REPRESENTING THE INTERESTS OF THE ENVIRONMENT;**
- (13) ONE MEMBER REPRESENTING THE INTERESTS OF AGRICULTURE;**
- (14) TWO MEMBERS REPRESENTING THE INTERESTS OF LOW-INCOME RESIDENTS; AND**
- (15) TWO MEMBERS REPRESENTING THE INTERESTS OF COMMUNITY DEVELOPMENT ORGANIZATIONS.**

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

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

**2-1221.**

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

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

**2-1222.**

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

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

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

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

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

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

**RENTER–OCCUPIED DWELLINGS IN THE STATE.**

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

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

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

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

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

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

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

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

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

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

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

**Article – State Finance and Procurement**

6–226.

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

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

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

113. the Veteran Employment and Transition Success Fund;

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

**AND**

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

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