

HOUSE BILL 33

M5, C5, F5

(PRE-FILED)

11r1255
CF SB 76

By: **Delegate Fraser-Hidalgo**

Requested: October 29, 2020

Introduced and read first time: January 13, 2021

Assigned to: Economic Matters and Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Climate Crisis and Education Act**

3 FOR the purpose of establishing a Climate Crisis Initiative in the Department of the
4 Environment for certain purposes; providing for the purposes of the Initiative;
5 establishing a certain greenhouse gas reduction target for certain years; establishing
6 a Climate Crisis Council with certain membership for certain purposes; requiring
7 the Council to develop a certain plan with certain required elements and submit the
8 plan to the General Assembly; requiring the Council to have the plan verified in a
9 certain manner; requiring the Council to hold certain meetings for certain purposes;
10 requiring the Secretary of the Environment to administer certain schedules of
11 greenhouse gas pollution fees; requiring the Secretary to delegate certain collection
12 and benefit functions to the Comptroller; requiring the Comptroller to carry out
13 certain functions; requiring the collection of a certain greenhouse gas pollution fee
14 on certain fuels for certain purposes; providing for the assessment of a certain fee on
15 certain substances at certain rates in certain years, subject to a certain condition;
16 requiring the collection of a certain fee on certain products at their first point of sale
17 in the State; requiring that the fee be paid by a certain entity; reducing a certain fee
18 by a certain amount under certain circumstances; prohibiting the passing through of
19 a certain fee to certain end users or customers, with a certain exception; requiring
20 certain persons generating a certain amount of electricity to pay a certain fee
21 calculated in a certain manner; requiring certain natural gas distribution companies
22 to pay a certain fee calculated in a certain manner; requiring the Secretary to
23 determine a certain fee for certain fugitive emissions and intentional releases for the
24 purpose of determining a certain additional fee; exempting certain governmental
25 units from the fee under this Act; providing for the initial date of collection of a
26 certain fee; requiring the Secretary to determine certain matters for identifying
27 certain substances as subject to a certain fee, with certain exceptions; requiring the
28 Secretary to prepare certain reports periodically considering certain matters and to
29 submit the reports to the Governor and the General Assembly; prohibiting the
30 imposition of certain fees if superseded by federal law or regulation; providing for

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the distribution of certain fees to certain funds in a certain manner; establishing the
2 Kirwan Commission Fund as a special, nonlapsing fund for certain purposes;
3 providing for the administration and functioning of the Kirwan Fund; providing for
4 the investment of money in and expenditures from the Kirwan Fund; requiring
5 interest earnings of the Kirwan Fund to be credited to the Kirwan Fund; providing
6 for the distribution of money from the Kirwan Fund for certain purposes;
7 establishing the Household and Employer Benefit Fund as a special, nonlapsing fund
8 for certain purposes; providing for the administration and functioning of the Benefit
9 Fund; providing for the investment of money in and expenditures from the Benefit
10 Fund; requiring interest earnings of the Benefit Fund to be credited to the Benefit
11 Fund; establishing certain accounts in the Benefit Fund for certain purposes;
12 providing for the distribution of money in the Household Benefit Account and the
13 Employer Benefit Account in certain manners for certain purposes; providing that
14 certain money distributed as a benefit under this Act may not be included in taxable
15 income for purposes of any State or local income tax; providing that certain money
16 distributed as a benefit shall be excluded from household income for certain
17 purposes; requiring the Secretary to consider certain alternative calendar schedules
18 for certain purposes; authorizing certain beneficiaries to receive benefits in a certain
19 manner; establishing the Climate Crisis Infrastructure Fund as a special,
20 nonlapsing fund for certain purposes; providing for the administration and
21 functioning of the Infrastructure Fund; providing for the investment of money in and
22 expenditures from the Infrastructure Fund; requiring interest earnings of the
23 Infrastructure Fund to be credited to the Infrastructure Fund; providing for the
24 distribution of money from the Infrastructure Fund on approval by the Secretary in
25 a certain manner for certain purposes; establishing a certain fee to be charged on
26 certain new motor vehicles sold or registered in the State based on certain ratings;
27 setting the amount of the fee; exempting certain motor vehicles from the fee;
28 requiring the Department of Transportation to review certain exemptions on or
29 before a certain date and make certain recommendations; requiring the fee to be
30 deposited in the Infrastructure Fund and used for certain purposes; providing that
31 the Secretary is not subject to penalties or actions for damages for certain actions
32 under this Act; requiring the Secretary to make certain efforts to return certain fees
33 to certain persons in a certain manner; requiring the Secretary to identify certain
34 measures and programs each year in consultation with certain units; requiring the
35 Secretary to study and report on certain matters to the Governor and the General
36 Assembly by a certain date; requiring the Secretary to adopt certain regulations in
37 consultation with the Commission; exempting the Infrastructure Fund, the Benefit
38 Fund, and the Kirwan Fund from a certain provision of law requiring interest
39 earnings on State money to accrue to the General Fund of the State; defining certain
40 terms; and generally relating to the Climate Crisis Initiative, greenhouse gas
41 emissions reductions, and education.

42 BY renumbering

43 Article – Environment

44 Section 2–1201 and 2–1202, respectively

45 to be Section 2–1202 and 2–1201, respectively

46 Annotated Code of Maryland

1 (2013 Replacement Volume and 2020 Supplement)

2 BY adding to

3 Article – Environment

4 New part designation “Part I. Statewide Inventory and Emissions Reduction Plan”

5 to immediately precede Section 2–1201; and Section 2–1214 through 2–1228

6 to be under the new part “Part II. Climate Crisis Initiative”

7 Annotated Code of Maryland

8 (2013 Replacement Volume and 2020 Supplement)

9 BY repealing and reenacting, without amendments,

10 Article – Environment

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

12 Annotated Code of Maryland

13 (2013 Replacement Volume and 2020 Supplement)

14 (As enacted by Section 1 of this Act)

15 BY repealing and reenacting, without amendments,

16 Article – State Finance and Procurement

17 Section 6–226(a)(2)(i)

18 Annotated Code of Maryland

19 (2015 Replacement Volume and 2020 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – State Finance and Procurement

22 Section 6–226(a)(2)(ii)122. and 123.

23 Annotated Code of Maryland

24 (2015 Replacement Volume and 2020 Supplement)

25 BY adding to

26 Article – State Finance and Procurement

27 Section 6–226(a)(2)(ii)124. through 126.

28 Annotated Code of Maryland

29 (2015 Replacement Volume and 2020 Supplement)

30 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

31 That Section(s) 2–1201 and 2–1202, respectively, of Article – Environment of the Annotated

32 Code of Maryland be renumbered to be Section(s) 2–1202 and 2–1201, respectively.

33 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read

34 as follows:

35 **Article – Environment**

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

37 2–1201.

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

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

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

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

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

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

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

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

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

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

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

30 (iii) Research and development activities.

31 (3) “Manufacturing” does not include:

32 (i) Activities that are primarily a service;

- 1 (ii) Activities that are intellectual, artistic, or clerical in nature;
- 2 (iii) Public utility services, including gas, electric, water, and steam
3 production services; or
- 4 (iv) Any other activity that would not commonly be considered as
5 manufacturing.

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

11 2–1202.

12 The General Assembly finds that:

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

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

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

20 (4) The State has the ingenuity to reduce the threat of global warming and
21 make greenhouse gas reductions a part of the State’s future by achieving a 25% reduction
22 in greenhouse gas emissions from 2006 levels by 2020 and by preparing a plan to meet a
23 longer-term goal of reducing greenhouse gas emissions by up to 90% from 2006 levels by
24 2050 in a manner that promotes new “green” jobs, and protects existing jobs and the State’s
25 economic well-being;

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

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

32 **2–1212. RESERVED.**

33 **2–1213. RESERVED.**

PART II. CLIMATE CRISIS 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) "BENEFIT FUND" MEANS THE HOUSEHOLD AND EMPLOYER BENEFIT FUND ESTABLISHED UNDER § 2-1222 OF THIS SUBTITLE.

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

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

(G) "ELECTRICITY SUPPLIER" HAS THE MEANING STATED IN § 1-101 OF THE PUBLIC UTILITIES ARTICLE.

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

(I) "FOSSIL FUEL" MEANS:

(1) NATURAL GAS;

(2) PETROLEUM;

(3) COAL; AND

(4) ANY SOLID, LIQUID, OR GASEOUS FUEL DERIVED FROM ITEM (1), (2), OR (3) OF THIS SUBSECTION.

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

(K) "GREENHOUSE GAS POLLUTION FEE" OR "FEE" MEANS A FEE IMPOSED

1 ON EACH CARBON DIOXIDE EQUIVALENT UNDER THIS PART.

2 (L) "INFRASTRUCTURE FUND" MEANS THE CLIMATE CRISIS
3 INFRASTRUCTURE FUND ESTABLISHED UNDER § 2-1223 OF THIS SUBTITLE.

4 (M) "INITIATIVE" MEANS THE CLIMATE CRISIS INITIATIVE ESTABLISHED
5 UNDER THIS PART.

6 (N) "KIRWAN FUND" MEANS THE KIRWAN COMMISSION FUND
7 ESTABLISHED UNDER § 2-1221 OF THIS SUBTITLE.

8 (O) (1) "LIFE CYCLE EMISSIONS" MEANS GREENHOUSE GAS EMISSIONS
9 THAT ARE RELEASED DURING PHASES OF A FUEL OR OTHER PRODUCT'S LIFE.

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

13 (P) "MINIMUM POLLUTION LEVEL" MEANS THE LOWEST LEVEL OF
14 POLLUTION IN GRAMS PER MILE THAT SUBJECTS A MOTOR VEHICLE TO THE MOTOR
15 VEHICLE FEE UNDER § 2-1224 OF THIS SUBTITLE.

16 (Q) "MINOR RESIDENT" MEANS A RESIDENT OF THE STATE UNDER THE AGE
17 OF 18 YEARS.

18 (R) "MOTOR FUEL" HAS THE MEANING STATED IN § 9-101 OF THE
19 TAX - GENERAL ARTICLE.

20 (S) "MOTOR VEHICLE" HAS THE MEANING STATED IN § 9-101 OF THE
21 TAX - GENERAL ARTICLE.

22 (T) "ON-SITE GENERATED ELECTRICITY" HAS THE MEANING STATED IN §
23 1-101 OF THE PUBLIC UTILITIES ARTICLE.

24 (U) "QUINTILE 1" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
25 INCOMES THROUGH THE 20TH PERCENTILE OF ALL HOUSEHOLDS IN THE STATE.

26 (V) "QUINTILE 2" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
27 INCOMES ABOVE THE 20TH PERCENTILE THROUGH THE 40TH PERCENTILE OF ALL
28 HOUSEHOLDS IN THE STATE.

29 (W) "QUINTILE 3" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
30 INCOMES ABOVE THE 40TH PERCENTILE THROUGH THE 60TH PERCENTILE OF ALL

1 HOUSEHOLDS IN THE STATE.

2 (X) "QUINTILE 4" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX
3 INCOMES ABOVE THE 60TH PERCENTILE THROUGH THE 80TH PERCENTILE OF ALL
4 HOUSEHOLDS IN THE STATE.

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

7 (Z) "TOTAL BENEFIT SHARES" MEANS THE SUM OF ALL ADULT RESIDENTS
8 AND ONE-HALF OF THE MINOR RESIDENTS OF THE STATE.

9 2-1215.

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

11 (B) THE INITIATIVE PROVIDES FOR:

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

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

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

15 (4) FUNDING FOR EDUCATION UNDER THE RECOMMENDATIONS OF
16 THE COMMISSION ON INNOVATION AND EXCELLENCE IN EDUCATION, COMMONLY
17 KNOWN AS THE "KIRWAN COMMISSION";

18 (5) THE ASSESSMENT OF A FEE ON THE SALE OR REGISTRATION OF
19 NEW HIGH-EMISSION VEHICLES;

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

22 (7) THE FUNDING OF ACTIVITIES FOR GREENHOUSE GAS REDUCTION
23 AND SEQUESTRATION, IMPROVEMENTS IN RESILIENCY, AND THE PROMOTION OF A
24 JUST ECONOMIC TRANSITION IN THE STATE.

25 2-1216.

26 (A) THE STATE SHALL:

27 (1) REDUCE STATEWIDE GREENHOUSE GAS EMISSIONS BY 60% FROM

1 **2006 LEVELS BY 2030; AND**

2 **(2) ACHIEVE NET-ZERO GREENHOUSE GAS EMISSIONS BY 2045.**

3 **(B) AFTER 2045, STATEWIDE GREENHOUSE GAS EMISSIONS SHALL BE NET**
4 **NEGATIVE.**

5 **2-1217.**

6 **(A) THERE IS A CLIMATE CRISIS COUNCIL.**

7 **(B) THE COUNCIL CONSISTS OF THE FOLLOWING MEMBERS:**

8 **(1) ONE MEMBER OF THE SENATE OF MARYLAND, APPOINTED BY THE**
9 **PRESIDENT OF THE SENATE;**

10 **(2) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE**
11 **SPEAKER OF THE HOUSE; AND**

12 **(3) EXPERTS IN THE FIELDS OF ECONOMICS, ENVIRONMENTAL**
13 **SCIENCE, AND ENVIRONMENTAL JUSTICE, AND OTHERS AS NEEDED, APPOINTED**
14 **JOINTLY BY THE PRESIDENT AND THE SPEAKER.**

15 **(C) ON OR BEFORE DECEMBER 31, 2022, THE COUNCIL SHALL SUBMIT A**
16 **PLAN TO ACHIEVE THE REDUCTION TARGETS SET OUT IN § 2-1216 OF THIS SUBTITLE**
17 **TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE**
18 **GOVERNMENT ARTICLE.**

19 **(D) THE PLAN SHALL INCLUDE POLICIES TO MITIGATE INEQUITIES THAT**
20 **COULD ARISE FROM THE IMPLEMENTATION OF THE PLAN.**

21 **(E) THE PLAN MAY RECOMMEND AMENDMENTS TO THE FEE, BENEFIT, AND**
22 **INVESTMENT PROGRAM ESTABLISHED IN §§ 2-1219 THROUGH 2-1223 OF THIS**
23 **SUBTITLE IF:**

24 **(1) THE FEE, BENEFIT, AND INVESTMENT PROGRAM CONTINUES TO**
25 **PROVIDE \$350,000,000 EACH YEAR TO SUPPORT THE KIRWAN COMMISSION;**

26 **(2) LOW- AND MODERATE-INCOME HOUSEHOLDS AND**
27 **ENERGY-INTENSIVE TRADE-EXPOSED EMPLOYERS ARE REASONABLY PROTECTED**
28 **FROM FINANCIAL HARM; AND**

29 **(3) THE AMENDMENTS DO NOT DIMINISH THE EFFECTIVENESS OF**

1 THE FEE, BENEFIT, AND INVESTMENT PROGRAM AT REDUCING EMISSIONS.

2 (F) BEFORE THE COUNCIL SUBMITS ITS PLAN TO THE GENERAL ASSEMBLY,
3 AN INDEPENDENT AND RESPECTED ENTITY MUST VERIFY THROUGH MODELING
4 THAT THE PLAN SHALL:

5 (1) MEET THE REDUCTION GOALS SET OUT IN § 2-1216 OF THIS
6 SUBTITLE; AND

7 (2) BE EQUITABLE.

8 (G) IN DEVELOPING THE PLAN AND ANY AMENDMENTS TO THE PLAN, THE
9 COUNCIL SHALL:

10 (1) HOLD PERIODIC MEETINGS AT CONVENIENT LOCATIONS AND
11 TIMES FOR PUBLIC PARTICIPATION; AND

12 (2) PROVIDE A REASONABLE AMOUNT OF TIME IN EACH MEETING FOR
13 COMMENTS BY THE PUBLIC.

14 2-1218.

15 (A) THE SECRETARY SHALL ADMINISTER THE SCHEDULES OF GREENHOUSE
16 GAS POLLUTION FEES UNDER THIS PART.

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

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

22 2-1219.

23 (A) A GREENHOUSE GAS POLLUTION FEE SHALL BE COLLECTED ON ALL
24 FOSSIL FUELS BROUGHT INTO THE STATE FOR COMBUSTION IN THE STATE.

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

27 (1) NONTRANSPORTATION FUELS SHALL:

28 (I) BE \$15 FROM JULY 31, 2022, THROUGH DECEMBER 31,

1 **2022;**

2 (II) **BE \$20 IN 2023;**

3 (III) **INCREASE BY \$5 EACH YEAR THEREAFTER THROUGH 2030;**

4 **AND**

5 (IV) **BE \$60 IN 2031 AND EACH YEAR THEREAFTER; AND**

6 (2) **TRANSPORTATION FUELS SHALL:**

7 (I) **BE \$10 FROM JULY 31, 2022, THROUGH DECEMBER 31,**
8 **2022;**

9 (II) **BE \$13 IN 2023;**

10 (III) **INCREASE BY \$3 EACH YEAR THEREAFTER THROUGH 2030;**

11 **AND**

12 (IV) **BE \$37 IN 2031 AND EACH YEAR THEREAFTER.**

13 (C) **IF THE FEES AND BENEFITS UNDER THIS PART TAKE EFFECT IN A**
14 **CALENDAR YEAR LATER THAN 2022, THE SECRETARY SHALL DELAY THE SCHEDULE**
15 **OF FEES UNDER SUBSECTION (B) OF THIS SECTION BY THE SAME NUMBER OF YEARS.**

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

18 (I) **COLLECTED AT THE FIRST POINT OF SALE OF THE FOSSIL**
19 **FUEL IN THE STATE; AND**

20 (II) **PAID BY THE ENTITY TRANSPORTING THE FOSSIL FUEL**
21 **INTO THE STATE.**

22 (2) **THE FEE COLLECTED ON A PETROLEUM PRODUCT UNDER**
23 **PARAGRAPH (1) OF THIS SUBSECTION SHALL BE REDUCED BY AN AMOUNT EQUAL TO**
24 **ANY FEE PAID FOR THE SAME YEAR FOR TRANSPORTATION AND CLIMATE INITIATIVE**
25 **ALLOWANCES.**

26 (3) **THE AMOUNT DEDUCTED UNDER PARAGRAPH (2) OF THIS**
27 **SUBSECTION MAY NOT EXCEED THE TOTAL AMOUNT OF THE FEE CALCULATED**
28 **UNDER SUBSECTION (B) OF THIS SECTION.**

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

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

5 **2. A CUSTOMER OF AN ELECTRIC COMPANY OR A GAS**
6 **COMPANY.**

7 **(II) THIS PARAGRAPH DOES NOT PROHIBIT THE PASSING**
8 **THROUGH TO A CUSTOMER OF A FEE COLLECTED UNDER THIS SECTION ON**
9 **ELECTRICITY DISTRIBUTED BY AN ELECTRIC COMPANY OR NATURAL GAS**
10 **DISTRIBUTED BY A GAS COMPANY ONLY TO THE EXTENT THAT THE COMMISSION**
11 **APPROVES THE FEE AS A PRUDENTLY INCURRED COST OF DISTRIBUTION.**

12 **(E) (1) ANY PERSON THAT GENERATES MORE THAN 25,000**
13 **KILOWATT-HOURS OF ON-SITE GENERATED ELECTRICITY USING ANY COMBINATION**
14 **OF ONE OR MORE FOSSIL FUELS MUST PAY A FEE BASED ON THE RELATIVE MIX OF**
15 **FUELS AND THE U.S. ENERGY INFORMATION ADMINISTRATION'S CARBON DIOXIDE**
16 **EMISSIONS FACTOR FOR EACH FUEL.**

17 **(2) ANY FEE ALREADY PAID ON THE FUEL UNDER THIS SECTION**
18 **SHALL BE DEDUCTED FROM THE FEE THAT WOULD OTHERWISE BE DUE UNDER THIS**
19 **SUBSECTION.**

20 **(F) (1) A LOCAL DISTRIBUTION COMPANY FOR NATURAL GAS SHALL PAY**
21 **THE FEE FOR ALL NATURAL GAS THAT THE COMPANY DISTRIBUTES FOR**
22 **COMBUSTION IN THE STATE.**

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

28 **(G) SUBJECT TO § 2-1226 OF THIS SUBTITLE, THE SECRETARY SHALL**
29 **DETERMINE THE AMOUNT OF EMISSIONS, AS CARBON DIOXIDE EQUIVALENTS, FROM**
30 **ESCAPED OR INTENTIONALLY RELEASED METHANE DUE TO THE EXTRACTION,**
31 **PROCESSING, TRANSPORT, OR DISTRIBUTION OF NATURAL GAS BEFORE THE POINT**
32 **OF COMBUSTION IN THE STATE, AND MAY ADD AN ADDITIONAL FEE TO THE FEE FOR**
33 **ALL NATURAL GAS OR NATURAL GAS-BASED ELECTRICITY.**

34 **(H) (1) UNITS OF GOVERNMENT WHOSE PRIMARY PURPOSE IS TO**

1 PROVIDE PUBLIC TRANSPORTATION BY BUS, VAN, RAIL, OR OTHER MEANS THAT
2 REDUCE THE AMOUNT OF DRIVING BY PRIVATE MOTOR VEHICLES SHALL BE EXEMPT
3 FROM GREENHOUSE GAS POLLUTION FEES UNDER THIS PART.

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

7 (I) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE COLLECTION OF
8 THE FEE UNDER THIS SECTION SHALL BEGIN ON THE ADOPTION OF ALL NECESSARY
9 RULES FOR ITS COLLECTION, BUT NOT LATER THAN JANUARY 1, 2023, FOR
10 EMISSIONS OCCURRING IN THE LAST 6 MONTHS OF 2022.

11 (J) THE FEES COLLECTED UNDER THIS SECTION SHALL BE PAID INTO THE
12 KIRWAN FUND, THE INFRASTRUCTURE FUND, AND THE BENEFIT FUND IN
13 ACCORDANCE WITH THIS PART.

14 (K) (1) USING THE BEST INFORMATION AND SCIENCE REASONABLY
15 AVAILABLE, THE SECRETARY SHALL DETERMINE WHETHER TO IDENTIFY ANY
16 GREENHOUSE GAS-EMITTING SUBSTANCE OR SOURCE, IN ADDITION TO NATURAL
17 GAS, PETROLEUM, COAL, AND THEIR DERIVATIVES, AS BEING A FOSSIL FUEL
18 SUBJECT TO THE FEE UNDER THIS PART.

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

21 (L) (1) WITHIN 3 YEARS AFTER THE FEES AND BENEFITS UNDER THIS
22 PART TAKE EFFECT, AND EVERY 2 YEARS THEREAFTER, THE SECRETARY, IN
23 CONSULTATION WITH THE COUNCIL, SHALL SUBMIT A REPORT TO THE GOVERNOR
24 AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE
25 GENERAL ASSEMBLY.

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

29 (I) ACCOUNT FOR INFLATION;

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

32 (III) ENSURE PROGRESS TOWARD REACHING EMISSIONS LIMITS
33 UNDER § 2-1216 OF THIS SUBTITLE, PART I OF THIS SUBTITLE, AND SUBTITLE 10

1 OF THIS TITLE; AND

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

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

9 2-1220.

10 (A) REVENUES FROM GREENHOUSE GAS POLLUTION FEES UNDER THIS
11 PART SHALL BE DISTRIBUTED TO THE KIRWAN FUND, THE BENEFIT FUND, AND THE
12 INFRASTRUCTURE FUND IN ACCORDANCE WITH THIS SECTION.

13 (B) FROM THE REVENUES GENERATED BY THE FEES ON GREENHOUSE GAS
14 EMISSIONS FROM FOSSIL FUELS, \$350,000,000 SHALL BE DISTRIBUTED EACH
15 FISCAL YEAR TO THE KIRWAN FUND SOLELY FOR THE USE OF THE KIRWAN
16 COMMISSION.

17 (C) THE LESSER OF 50% OF THE REVENUES GENERATED BY THE FEE, OR
18 ALL THE REVENUES REMAINING AFTER THE DISTRIBUTION TO THE KIRWAN FUND
19 UNDER SUBSECTION (B) OF THIS SECTION, SHALL BE DISTRIBUTED EACH YEAR TO
20 THE BENEFIT FUND FOR THE PURPOSE OF PROVIDING BENEFITS TO HOUSEHOLDS
21 AND EMPLOYERS IN ACCORDANCE WITH § 2-1222 OF THIS SUBTITLE.

22 (D) ANY REVENUES THAT REMAIN AFTER THE DISTRIBUTIONS UNDER
23 SUBSECTIONS (B) AND (C) OF THIS SECTION SHALL BE DISTRIBUTED EACH YEAR TO
24 THE INFRASTRUCTURE FUND.

25 2-1221.

26 (A) THERE IS A KIRWAN COMMISSION FUND.

27 (B) THE PURPOSE OF THE KIRWAN FUND IS TO SUPPORT EDUCATION IN
28 THE STATE UNDER LEGISLATION AND REGULATIONS THAT IMPLEMENT THE
29 RECOMMENDATIONS OF THE COMMISSION ON INNOVATION AND EXCELLENCE IN
30 EDUCATION, COMMONLY KNOWN AS THE "KIRWAN COMMISSION".

31 (C) THE DEPARTMENT SHALL ADMINISTER THE KIRWAN FUND IN
32 CONSULTATION WITH THE STATE DEPARTMENT OF EDUCATION.

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

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

5 (E) THE KIRWAN FUND CONSISTS OF:

6 (1) PROCEEDS OF THE GREENHOUSE GAS POLLUTION FEES
7 COLLECTED UNDER THIS PART AND DISTRIBUTED UNDER § 2-1220(B) OF THIS
8 SUBTITLE;

9 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE KIRWAN
10 FUND; AND

11 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
12 THE BENEFIT OF THE KIRWAN FUND.

13 (F) THE KIRWAN FUND MAY BE USED ONLY FOR:

14 (1) PURPOSES AUTHORIZED UNDER THIS SECTION; AND

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

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

19 (2) ANY INTEREST EARNINGS OF THE KIRWAN FUND SHALL BE
20 CREDITED TO THE KIRWAN FUND.

21 2-1222.

22 (A) THERE IS A HOUSEHOLD AND EMPLOYER BENEFIT FUND.

23 (B) THE PURPOSES OF THE BENEFIT FUND ARE TO:

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

26 (2) PROTECT ENERGY-INTENSIVE TRADE-EXPOSED EMPLOYERS IN
27 THE STATE.

1 (C) THE SECRETARY SHALL ADMINISTER THE BENEFIT FUND.

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

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

6 (E) THE BENEFIT FUND CONSISTS OF:

7 (1) PROCEEDS OF FEES DISTRIBUTED TO THE BENEFIT FUND UNDER
8 § 2-1220(C) OF THIS SUBTITLE;

9 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE BENEFIT
10 FUND; AND

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

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

14 (1) PAYMENT OF BENEFITS UNDER THIS SECTION; AND

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

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

19 (2) ANY INTEREST EARNINGS OF THE BENEFIT FUND SHALL BE
20 CREDITED TO THE BENEFIT FUND.

21 (H) IN THE BENEFIT FUND THERE ARE THE FOLLOWING SEPARATE
22 ACCOUNTS:

23 (1) THE HOUSEHOLD BENEFIT ACCOUNT, WHICH CONSISTS OF 80%
24 OF THE MONEY IN THE BENEFIT FUND; AND

25 (2) THE EMPLOYER BENEFIT ACCOUNT, WHICH CONSISTS OF 20% OF
26 THE MONEY IN THE BENEFIT FUND.

27 (I) (1) (I) MONEY IN THE HOUSEHOLD BENEFIT ACCOUNT SHALL BE

1 DISTRIBUTED AS BENEFITS IN ACCORDANCE WITH THIS SUBSECTION.

2 (II) 1. ONE-HALF SHALL BE DISTRIBUTED TO HOUSEHOLDS
3 IN QUINTILE 1.

4 2. ONE-THIRD SHALL BE DISTRIBUTED TO
5 HOUSEHOLDS IN QUINTILE 2.

6 3. ONE-SIXTH SHALL BE DISTRIBUTED TO HOUSEHOLDS
7 IN QUINTILE 3.

8 (III) 1. IF THE QUINTILE 1 DISTRIBUTION IS NOT SUFFICIENT
9 TO ENSURE THAT NO QUINTILE 1 HOUSEHOLD PAYS MORE IN FEES THAN IT
10 RECEIVES IN BENEFITS, THE QUINTILE 1 DISTRIBUTION SHALL BE INCREASED TO
11 ENSURE THAT THIS REQUIREMENT IS MET.

12 2. IF THE DISTRIBUTION TO QUINTILE 1 IS GREATER
13 THAN ONE-HALF, TWO-THIRDS OF THE FEES REMAINING IN THE HOUSEHOLD
14 BENEFIT ACCOUNT AFTER DISTRIBUTION TO QUINTILE 1 SHALL BE DISTRIBUTED
15 TO QUINTILE 2 AND ONE-THIRD TO QUINTILE 3.

16 (2) (I) EACH QUINTILE'S TOTAL DISTRIBUTION AMOUNT SHALL BE
17 DIVIDED BY THE SUM OF THE ADULT RESIDENTS IN THAT QUINTILE PLUS ONE-HALF
18 OF THE MINOR RESIDENTS IN THAT QUINTILE, TO PRODUCE THAT QUINTILE'S
19 INITIAL BENEFIT.

20 (II) EACH HOUSEHOLD IN A QUINTILE SHALL RECEIVE A
21 BENEFIT EQUAL TO THAT QUINTILE'S INITIAL BENEFIT TIMES THE SUM OF THE
22 NUMBER OF ADULT RESIDENTS IN THE HOUSEHOLD AND ONE-HALF OF THE NUMBER
23 OF MINOR RESIDENTS IN THE HOUSEHOLD.

24 (3) ANY MONEY REMAINING IN THE HOUSEHOLD BENEFIT ACCOUNT
25 AFTER THE DISTRIBUTION OF MONEY IN ACCORDANCE WITH PARAGRAPH (1) OF
26 THIS SUBSECTION SHALL BE DEPOSITED IN THE INFRASTRUCTURE FUND.

27 (4) IN PROVIDING BENEFITS FROM FEE PROCEEDS FROM THE
28 HOUSEHOLD BENEFIT ACCOUNT, THE SECRETARY SHALL COORDINATE WITH THE
29 COMPTROLLER, THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT,
30 THE DEPARTMENT OF HUMAN SERVICES, AND OTHER UNITS IN MAKING ALL
31 REASONABLE EFFORTS TO IDENTIFY THE NAMES AND ADDRESSES OF ALL
32 RESIDENTS, WITH SPECIAL ATTENTION TO THE NAMES AND ADDRESSES OF
33 LOW-INCOME RESIDENTS, SO THAT THEY CAN RECEIVE BENEFITS EXPEDITIOUSLY.

1 **(5) MONEY DISTRIBUTED FROM THE HOUSEHOLD BENEFIT**
2 **ACCOUNT:**

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

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

8 **(J) (1) MONEY IN THE EMPLOYER BENEFIT ACCOUNT SHALL BE**
9 **DISTRIBUTED IN ACCORDANCE WITH THIS SUBSECTION.**

10 **(2) THE SECRETARY SHALL USE THE MONEY IN THE EMPLOYER**
11 **BENEFIT ACCOUNT TO PROVIDE BENEFITS TO EMPLOYERS.**

12 **(3) (I) THE SECRETARY, IN CONSULTATION WITH THE SECRETARY**
13 **OF COMMERCE, THE SECRETARY OF LABOR, AND THE SECRETARY OF HOUSING AND**
14 **COMMUNITY DEVELOPMENT, SHALL, WITH SPECIAL ATTENTION TO**
15 **MANUFACTURING AND AGRICULTURE, IDENTIFY ECONOMIC SECTORS OR ECONOMIC**
16 **SUBSECTORS THAT ARE ENERGY-INTENSIVE AND TRADE-EXPOSED.**

17 **(II) THE SECRETARY SHALL, AS MITIGATION, CALCULATE THE**
18 **TOTAL PROCEEDS COLLECTED FROM THE SECTORS OR SUBSECTORS IDENTIFIED IN**
19 **SUBPARAGRAPH (I) OF THIS PARAGRAPH AND MAY APPORTION PART OR ALL OF THE**
20 **PROCEEDS TO THE AFFECTED SECTOR OR SUBSECTOR.**

21 **(4) MONEY REMAINING IN THE EMPLOYER BENEFIT ACCOUNT**
22 **AFTER DISTRIBUTIONS UNDER PARAGRAPH (3) OF THIS SUBSECTION ARE**
23 **CALCULATED SHALL BE DEPOSITED IN THE INFRASTRUCTURE FUND.**

24 **(K) (1) THE SECRETARY SHALL CONSIDER ALTERNATIVE CALENDAR**
25 **SCHEDULES FOR DISTRIBUTION OF THE BENEFITS AUTHORIZED UNDER THIS**
26 **SECTION, INCLUDING PARTIAL OR WHOLE DISTRIBUTIONS EARLY IN THE RELEVANT**
27 **REVENUE CYCLE AND ON A REGULAR BASIS THROUGHOUT THE REVENUE CYCLE.**

28 **(2) THE METHOD AND SCHEDULE OF DISTRIBUTION OF BENEFITS**
29 **SHALL TAKE INTO ACCOUNT:**

30 **(I) THE NEEDS OF RESIDENTS AND EMPLOYERS,**
31 **PARTICULARLY LOW-INCOME HOUSEHOLDS, TO OBTAIN BENEFITS**
32 **CORRESPONDING TO THE TIME SCHEDULE WHEN THEY WILL BE PAYING**
33 **GREENHOUSE GAS POLLUTION FEES;**

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

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

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

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

11 **2-1223.**

12 **(A) THERE IS A CLIMATE CRISIS INFRASTRUCTURE FUND.**

13 **(B) (1) THE PURPOSE OF THE INFRASTRUCTURE FUND IS TO INVEST IN**
14 **INITIATIVES THAT IMPROVE THE HEALTH AND WELFARE OF THE CITIZENS OF THE**
15 **STATE BY:**

16 **(I) EXPANDING THE USE OF CLEAN ENERGY SOURCES AND**
17 **ENERGY EFFICIENCY IN THE ELECTRICITY AND OTHER ENERGY-CONSUMING**
18 **SECTORS;**

19 **(II) CREATING A CLEANER, MORE JUST, AND MORE EFFICIENT**
20 **TRANSPORTATION SECTOR THROUGHOUT THE STATE;**

21 **(III) PROVIDING FUNDING FOR RESILIENCY AGAINST CLIMATE**
22 **CHANGE AND WEATHER EVENTS THAT HAVE AN IMPACT ON THE LIVES OF THE**
23 **CITIZENS OF THE STATE AND ITS ECONOMY;**

24 **(IV) SEQUESTERING CARBON IN FORESTS, SOILS, AND**
25 **WETLANDS; AND**

26 **(V) PROMOTING A JUST TRANSITION TO CLEAN ENERGY.**

27 **(2) OF THE MONEY IN THE INFRASTRUCTURE FUND, 30% SHALL BE**
28 **USED TO BENEFIT LOW- AND MODERATE-INCOME RESIDENTS, WITH PRIORITY**
29 **GIVEN TO HISTORICALLY POLLUTION-BURDENED AND UNDERSERVED**
30 **COMMUNITIES, INCLUDING BY PROVIDING ACCESS TO AFFORDABLE RENEWABLE**

1 ENERGY, ENERGY EFFICIENCY, PUBLIC TRANSPORTATION, AND ASSISTANCE WITH
2 ADAPTING TO IMPACTS OF SEVERE WEATHER AND CLIMATE CHANGE.

3 (3) WHEREVER FEASIBLE, INVESTMENTS UNDER THIS SECTION
4 SHALL ALSO BE DESIGNED TO CREATE LOCAL ECONOMIC DEVELOPMENT AND
5 EMPLOYMENT IN THE STATE.

6 (C) THE DEPARTMENT, IN CONSULTATION WITH THE COUNCIL, SHALL
7 ADMINISTER THE INFRASTRUCTURE FUND.

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

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

14 (E) THE INFRASTRUCTURE FUND CONSISTS OF:

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

17 (2) ANY EXCESS OF UNSPENT BENEFITS RECEIVED FROM THE
18 BENEFIT FUND UNDER § 2-1222(I)(3) AND (J)(4) OF THIS SUBTITLE;

19 (3) PROCEEDS OF MOTOR VEHICLE FEES COLLECTED UNDER §
20 2-1224 OF THIS SUBTITLE;

21 (4) MONEY APPROPRIATED IN THE STATE BUDGET TO THE
22 INFRASTRUCTURE FUND; AND

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

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

26 (1) PURPOSES AUTHORIZED UNDER THIS SECTION AND §
27 2-1224(F)(2) OF THIS SUBTITLE; 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) DISBURSEMENTS FROM THE INFRASTRUCTURE FUND SHALL BE**
7 **AWARDED:**

8 **(1) ON APPROVAL OF THE SECRETARY; AND**

9 **(2) ONLY TO PROJECTS THAT ARE CONSISTENT WITH INVESTMENT**
10 **PRINCIPLES THE SECRETARY ESTABLISHES IN CONSULTATION WITH THE COUNCIL.**

11 **2-1224.**

12 **(A) A FEE SHALL BE CHARGED ON EACH NEW MOTOR VEHICLE SOLD OR**
13 **REGISTERED IN THE STATE WITH A U.S. ENVIRONMENTAL PROTECTION AGENCY**
14 **CARBON DIOXIDE POLLUTION RATING EQUAL TO OR HIGHER THAN THE MINIMUM**
15 **POLLUTION LEVEL.**

16 **(B) THE FEE SHALL BE BASED ON THE RATING BY THE U.S.**
17 **ENVIRONMENTAL PROTECTION AGENCY OF THE CARBON DIOXIDE TAILPIPE**
18 **EXHAUST OF PASSENGER VEHICLES AND LIGHT TRUCKS.**

19 **(C) THE MINIMUM POLLUTION LEVEL SHALL:**

20 **(1) BE 400 GRAMS PER MILE IN 2022; AND**

21 **(2) DECREASE EACH YEAR BY 10 GRAMS PER MILE.**

22 **(D) THE FEE SHALL:**

23 **(1) BE \$1.25 TIMES THE U.S. ENVIRONMENTAL PROTECTION**
24 **AGENCY'S POLLUTION RATING OF THE MOTOR VEHICLE IN 2023; AND**

25 **(2) INCREASE EACH YEAR BY 25 CENTS TIMES THE U.S.**
26 **ENVIRONMENTAL PROTECTION AGENCY'S POLLUTION RATING OF THE MOTOR**
27 **VEHICLE.**

28 **(E) (1) THE FEE MAY NOT BE ASSESSED ON THE FOLLOWING TYPES OF**
29 **MOTOR VEHICLES:**

- 1 (I) COMMERCIAL VEHICLES USED FOR TRANSPORTING GOODS;
2 (II) AGRICULTURAL VEHICLES;
3 (III) PUBLIC TRANSPORTATION VEHICLES;
4 (IV) AMBULANCES; AND
5 (V) STATE-, COUNTY-, OR MUNICIPALITY-OWNED VEHICLES
6 THAT ARE NOT USED STRICTLY AS PASSENGER VEHICLES.

7 (2) ON OR BEFORE JULY 1, 2028, THE DEPARTMENT OF
8 TRANSPORTATION:

9 (I) SHALL REVIEW THE EXEMPTIONS UNDER PARAGRAPH (1)
10 OF THIS SUBSECTION; AND

11 (II) MAY RECOMMEND TO THE SECRETARY THE MODIFICATION
12 OR ELIMINATION OF ANY OF THE EXEMPTIONS.

13 (F) REVENUES COLLECTED BY THE FEE ON NEW MOTOR VEHICLES UNDER
14 THIS SECTION SHALL BE:

15 (1) DEPOSITED IN THE INFRASTRUCTURE FUND; AND

16 (2) AS A PRIORITY, USED TO:

17 (I) PROVIDE REBATES ON THE SALE OF ELECTRIC VEHICLES;

18 (II) PURCHASE ELECTRIC TRANSIT AND SCHOOL BUSES; AND

19 (III) EXPAND ELECTRIC VEHICLE INFRASTRUCTURE.

20 **2-1225.**

21 (A) THE SECRETARY MAY NOT BE SUBJECT TO PENALTIES OR ACTIONS FOR
22 DAMAGES IF THE FEES COLLECTED UNDER THIS PART ARE NOT EQUAL TO THE
23 BENEFITS RETURNED UNDER THIS PART.

24 (B) THE SECRETARY SHALL MAKE ALL REASONABLE EFFORTS TO RETURN,
25 AS BENEFITS TO RESIDENTS AND EMPLOYERS IN THE AGGREGATE, ALL FEES
26 COLLECTED BY THE SECRETARY UNDER THIS PART OTHER THAN MONEY DEPOSITED

1 IN THE KIRWAN FUND AND THE INFRASTRUCTURE FUND.

2 2-1226.

3 (A) ON OR BEFORE JULY 1, 2024, THE SECRETARY SHALL STUDY AND
4 REPORT ON THE FEASIBILITY OF IMPOSING AND COLLECTING ADDITIONAL
5 GREENHOUSE GAS EMISSION FEES ON FUGITIVE EMISSIONS AND INTENTIONAL
6 RELEASES OF METHANE FROM NATURAL GAS INFRASTRUCTURE.

7 (B) THE REPORT SHALL INCLUDE AN ANALYSIS OF THE FEASIBILITY AND
8 EXPENSE OF:

9 (1) CALCULATING A REASONABLY ACCURATE CURRENT STATISTICAL
10 BASELINE, SPECIFIC TO THE STATE, OF FUGITIVE EMISSIONS AND INTENTIONAL
11 RELEASES; AND

12 (2) DEVELOPING AND DEPLOYING A MEANS OF CALCULATING
13 REASONABLY ACCURATE UPDATES OF PROGRESS OR LACK OF PROGRESS IN
14 REDUCING FUGITIVE EMISSIONS AND INTENTIONAL RELEASES.

15 (C) THE SECRETARY SHALL SUBMIT THE REPORT, INCLUDING ANY
16 RECOMMENDED LEGISLATIVE OR REGULATORY CHANGES, TO THE GOVERNOR AND,
17 IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE
18 GENERAL ASSEMBLY.

19 (D) THE REPORT MAY BE INCLUDED IN THE REPORT REQUIRED UNDER §
20 2-1219(L) OF THIS SUBTITLE.

21 2-1227.

22 THE SECRETARY, IN CONSULTATION WITH THE COMMISSION, THE
23 SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, AND THE SECRETARY
24 OF HUMAN SERVICES, EACH YEAR SHALL IDENTIFY MEASURES AND PROGRAMS
25 BEST CALCULATED TO ENSURE THE PROVISION OF LOW-INCOME ENERGY
26 ASSISTANCE AND IMPROVEMENTS IN THE ENERGY EFFICIENCY OF
27 RENTER-OCCUPIED DWELLINGS IN THE STATE.

28 2-1228.

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

31 Article – State Finance and Procurement

1 6–226.

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

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

10 122. the Racing and Community Development Financing Fund;
11 [and]

12 123. the Racing and Community Development Facilities Fund;

13 **124. THE CLIMATE CRISIS INFRASTRUCTURE FUND;**

14 **125. THE HOUSEHOLD AND EMPLOYER BENEFIT FUND;**

15 **AND**

16 **126. THE KIRWAN COMMISSION FUND.**

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
18 1, 2021.