



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
R. Michael Gill | Secretary of Commerce
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DATE: March 4, 2022
BILL NO: House Bill 708
BILL TITLE: Comprehensive Climate Solutions
COMMITTEE: House Economic Matters

Statement of Information

House Bill 708 would require Maryland to achieve net zero emissions by 2045, which is five years earlier than today's net zero goal. The bill outlines means by which to meet this goal, including requiring the Maryland Department of the Environment (MDE) to develop a plan for public consideration and comment by June 30, 2023 to assist the State in meeting this goal. Final adoption of the plan is required by December 31st, 2023.

House Bill 708 also creates a Just Transition Working group tasked with researching the issue of “Carbon Leakage” on Maryland’s business and industry. Carbon Leakage is the idea that companies will invest in relocation activities to states without strict carbon policies or impose a Carbon Tax instead of absorbing the cost of carbon regulations and taxes. Manufacturers, energy companies, and large energy consumers are all susceptible to Carbon Leakage decisions.

Impacts on Businesses

The bill will require a Social Cost of Carbon to be required for the permitting of projects and in the regulation of industry. The Social Cost of Carbon will be established by MDE, but the bill requires the social cost be either EPA’s or MDE’s, whichever is higher. These costs will be passed on to Maryland businesses.

In addition, many Maryland businesses are already developing plans to reach net zero emissions by the current goal of 2050. Reducing the timeline on this goal by five years, while well intentioned, may place an additional burden on businesses to speed up their own timelines and make additional changes to what is currently underway.