

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 468 (Delegates Love and Boyce)
 Economic Matters and Environment and Transportation Education, Energy, and the Environment

Commission to Advance Lithium-Ion Battery Safety in Maryland

This bill establishes the Commission to Advance Lithium-Ion Battery Safety in Maryland. The Office of the State Fire Marshal (OSFM) must provide staff for the commission. By December 1, 2024, the commission must submit an interim report on the progress and status of the commission to the Legislative Policy Committee. By December 1, 2025, the commission must report its findings and recommendations to the Governor and the General Assembly. **The bill takes effect June 1, 2024, and terminates December 31, 2025.**

Fiscal Summary

State Effect: No effect in FY 2024. General fund expenditures increase by \$64,700 in FY 2025 and by \$27,600 in FY 2026. Revenues are not affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	64,700	27,600	0	0
Net Effect	\$0	(\$64,700)	(\$27,600)	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: None.

Analysis

Bill Summary: The commission must study and make legislative, regulatory, programmatic, or other recommendations regarding:

- best practices, standards, and guidelines (1) to prevent, detect, and suppress lithium-ion battery fires in consumer and transportation applications and in utility applications, with review and consideration of the National Fire Prevention 855 Standards for Grid Scale Storage and Safety; (2) to prevent, detect, and suppress lithium-ion fires at recycling facilities; and (3) for reusing, recycling, and decommissioning lithium-ion batteries;
- the viability of extended producer responsibility for lithium-ion batteries;
- training, education, and other information to better inform the public and first responders regarding lithium-ion battery safety; and
- any other global issues the commission may consider useful for enhancing the safety and reuse of batteries in the State.

The commission may, at its own discretion, seek advice and consultation from outside individuals and entities.

Commission members may not receive compensation but are entitled to reimbursement for expenses.

Current Law: The U.S. Department of Transportation regulates the transportation of lithium-ion batteries through its hazardous materials regulations. Generally, lithium-ion batteries must be packaged in a manner to prevent short circuits, damage caused by shifting or placement within the package, and accidental activation of the equipment. In addition, damaged, defective, or recalled lithium-ion batteries may only be shipped by highway, rail, or vessel and may not be transported by aircraft.

The U.S. Environmental Protection Agency (EPA) reports that most lithium-ion batteries are likely to meet the definition of hazardous waste under the federal Resource Conservation and Recovery Act but that households are generally exempt from those regulations. EPA further reports that it is planning to propose new rules to improve the management and recycling of end-of-life lithium-ion batteries.

The Maryland Department of the Environment (MDE) advises that State regulations do not specifically address the disposal or recycling of lithium-ion batteries. The 2019 *Joint Chairmen's Report* required MDE to submit a report outlining how the department will establish and fund a lithium-ion battery recycling program. That report can be read [here](#).

State Expenditures: OSFM cannot provide staff for the commission with existing resources. Therefore, general fund expenditures increase by \$64,673 in fiscal 2025, which accounts for a 30-day start-up delay from the bill’s June 1, 2024 effective date. This estimate reflects the cost of hiring one contractual management associate to staff the commission, study lithium-ion batteries and related safety protocols, and complete the required reports. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1.0
Salary and Fringe Benefits	\$57,147
Operating Expenses	<u>7,526</u>
Total FY 2025 State Expenditures	\$64,673

Fiscal 2026 expenditures, which total \$27,629, reflect ongoing costs and the termination of the contractual position midway through fiscal 2026, following the completion of the commission’s final report and concurrent with the bill’s termination date.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Any expense reimbursements for commission members are assumed to be minimal and absorbable within existing budgeted resources.

Additional Comments: The Department of Legislative Services advises that the National Fire Prevention Association 855 (Standard for the Installation of Stationary Energy Storage Systems) provides, among other things, guidance for the installation and maintenance of energy storage systems, which can include lithium-ion batteries.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 532 (Senator Gallion) - Education, Energy, and the Environment.

Information Source(s): Department of State Police; Maryland Department of the Environment; U.S. Department of Transportation; U.S. Environmental Protection Agency; Department of Legislative Services

Fiscal Note History:
rh/mcr

First Reader - February 21, 2024
Third Reader - March 20, 2024
Revised - Amendment(s) - March 20, 2024
Enrolled - April 30, 2024
Revised - Amendment(s) - April 30, 2024

Analysis by: Thomas S. Elder

Direct Inquiries to:
(410) 946-5510
(301) 970-5510