

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

Senate Bill 248 (Senator Frosh. *et al.*)

Economic and Environmental Affairs

Environment - Registry of Voluntary Reductions in Greenhouse Gas Emissions

This bill requires the Maryland Department of the Environment (MDE) to establish and administer a registry of voluntary reductions in greenhouse gas emissions in which a source of those emissions may register voluntary reductions. The stated purpose of the registry is to help sources establish a baseline against which future federal requirements for reducing greenhouse gas emissions may apply. MDE must adopt regulations to implement the bill and conduct a study to determine whether creating a particulate matter registry similar to the greenhouse gas registry would provide an overall benefit to the State. On or before December 1, 2000, MDE must report to the Governor and specified committees of the General Assembly on the results of the study, including any recommendations for future legislation.

Fiscal Summary

State Effect: General fund expenditure increase of \$154,100 in FY 2001 to comply with the bill's requirements, which includes \$115,000 in one-time start-up costs. Future year estimates are annualized, adjusted for inflation, and reflect contractual services to review and upgrade information systems in FY 2003 and FY 2005.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	154,100	46,800	74,000	51,300	78,700
Net Effect	(\$154,100)	(\$46,800)	(\$74,000)	(\$51,300)	(\$78,700)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: No such registry exists in statute.

Background: Since the mid-1980s, the federal government has funded scientific research and monitoring efforts related to global climate change. In 1993, the federal government developed a set of voluntary programs to cut emissions of carbon dioxide and other greenhouse gases that scientists believe are the primary cause of the problem. The federal Climate Change Technology Initiative includes several voluntary programs in the Environmental Protection Agency (EPA) and the Department of Energy aimed at reducing emissions of greenhouse gases. In order to track reductions of greenhouse gases, these programs typically have a reporting component to them. For example, Climate Wise is an EPA-sponsored partnership in which industry participants complete an agreement, submit an action plan that identifies specific cost-effective energy efficiency and pollution prevention measures, and report results annually. According to EPA, two Maryland entities participate in that program.

Developed under EPA's State and Local Outreach Program, a report entitled *Maryland Greenhouse Gas Emissions; Estimates for 1990* identified that in 1990, Maryland emitted 20.5 million metric tons of carbon equivalent (MTCE), or 4.3 per MTCE per capita, compared to a U.S. average of 6.4 MTCE per capita. The principal greenhouse gases were carbon dioxide, methane, and nitrous oxide. The major source of carbon dioxide emissions was fossil fuel combustion for transportation and utilities. The report identified landfills, manure management, and domesticated animals as contributors of methane. All nitrous oxide emissions were accounted for by fertilizer use.

State Expenditures: General fund expenditures could increase by an estimated \$154,100 in fiscal 2001, which accounts for the bill's October 1, 2000, effective date. This estimate reflects the cost of hiring one public health engineer to administer the registry. It includes a salary, fringe benefits, one-time start-up costs, ongoing operating expenses, and contractual services to design and implement a new computerized registry and to provide outreach for the program.

The information and assumptions used in calculating the estimate are stated below:

- costs to design and implement the new database will be consistent with MDE's previous experiences for similar activities in other programs;
- MDE will provide outreach in three to five locations across the State;
- contractual costs for outreach activities will range from \$3,000 to \$5,000 per location, but total costs will be approximately \$15,000; and

- any additional costs resulting from the bill's requirements relating to the adoption of regulations, performing the required study, and submitting the required report could be handled with existing resources.

Salary and Fringe Benefits	\$33,200
Contractual Services - Computer-related	100,000
Contractual Services - Outreach	15,000
Other Operating Expenses	<u>5,900</u>
Total FY 2001 State Expenditures	\$154,100

Future year expenditures reflect (1) the full salary with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses. In fiscal 2003 and fiscal 2005, the estimate includes \$25,000 in contractual services to review information systems and perform any necessary upgrades.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment, United States Environmental Protection Agency, Department of Legislative Services

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