

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 334 (Delegate Billings)
Environmental Matters

Reduction of Greenhouse Gases - Establishment of a Registry - Joint Study and Report

This bill requires the Maryland Department of the Environment (MDE), the Department of Natural Resources (DNR), and the Maryland Energy Administration (MEA), in consultation with a four-person legislative advisory panel established by the bill, to jointly study and report to the General Assembly by January 1, 2003 on specified items relating to greenhouse gas emissions, including recommendations for the establishment of a mandatory State greenhouse gas registry. MDE, DNR, and MEA must jointly provide staff support necessary to meet the requirements of the bill.

The bill takes effect June 1, 2002 and sunsets January 31, 2003.

Fiscal Summary

State Effect: MEA has been awarded a \$75,000 grant from the U.S. Environmental Protection Agency (EPA) for activities related to this bill. This grant, along with other existing resources within all the affected agencies, could be sufficient to cover the costs of the study required under the bill. However, if additional research proves necessary, general fund expenditures could increase (\$50,000 - \$100,000).

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The report must include: (1) sources of greenhouse gas emissions in the State; (2) current State and local statutes, regulations, and policies to limit greenhouse gas emissions and the effects of those statutes, regulations, and policies; (3) existing or needed authority with respect to the regulation of greenhouse gas emissions to a greater extent, and the extent of reductions that would likely be achieved; and (4) recommendations, including a legislative proposal, for the establishment of a mandatory State registry that would quantify current emissions, track and document reductions, and coordinate reduction credits and trades, as specified in the bill.

Current Law: MDE is authorized to establish ambient air quality standards for substances for which there are no federal standards, such as carbon dioxide and other greenhouse gases.

Background: MDE advises that it is currently working with MEA and DNR to prepare a climate change action plan as part of its duties as a member of the Maryland Green Buildings Council. The council, which was established by the Governor in March 2001, was charged with developing a comprehensive set of initiatives known as the “Maryland Greenhouse Gas Reduction Action Plan.” Several jurisdictions, including all the New England states, New York, New Jersey, Illinois, California, and Oregon, as well as several U.S. cities, have established innovative greenhouse gas-reduction programs. According to EPA, as of May 2001, 25 states and Puerto Rico had initiated state action plans and 19 states had completed them.

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 EPA and the U.S. 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.

International response to the concern about greenhouse gases led to the development of an international treaty in 1997 to reduce emissions of carbon dioxide and five other greenhouse gases. The U.S. signed the treaty, called the Kyoto Protocol, in 1998; however, President Bush has announced that he will not send the Protocol to the Senate for ratification until several identified concerns have been addressed.

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.

Additional Information

Prior Introductions: SB 248 of 2000 would have required MDE to establish and administer a registry of voluntary reductions in greenhouse gas emissions. The bill was withdrawn.

Cross File: None.

Information Source(s): Maryland Energy Administration, Maryland Department of the Environment, Department of Natural Resources, U.S. Environmental Protection Agency, Department of Legislative Services

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