

SENATE BILL 106

M1, C5, L1

8lr1527

By: **Senator Astle**

Introduced and read first time: January 16, 2008

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Natural Resources – Environmental Trust Fund – Uses**

3 FOR the purpose of expanding the uses of the Environmental Trust Fund to include
4 grants to certain counties for certain purposes; removing obsolete language;
5 making stylistic changes; and generally relating to the uses of the
6 Environmental Trust Fund.

7 BY repealing and reenacting, with amendments,
8 Article – Natural Resources
9 Section 3–302
10 Annotated Code of Maryland
11 (2005 Replacement Volume and 2007 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article – Natural Resources**

15 3–302.

16 (a) There is an Environmental Trust Fund. For the purpose of this subtitle,
17 there is established as an added cost of electricity distributed to retail electric
18 customers within the State, an environmental surcharge per kilowatt hour of electric
19 energy distributed in the State to be paid by any electric company as defined in §
20 1–101 of the Public Utility Companies Article. The Public Service Commission shall
21 impose the surcharge per kilowatt hour of electric energy distributed to retail electric
22 customers within the State and shall authorize the electric companies to add the full
23 amount of the surcharge to retail electric customers' bills. To the extent that the
24 surcharge is not collected from retail electric customers, the surcharge shall be deemed
25 a cost of distribution and shall be allowed and computed as such, together with other

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 allowable expenses, for rate-making purposes. Revenues from the surcharge shall be
2 collected by the Comptroller and placed in the Fund.

3 (b) (1) The Secretary, in consultation with the Director of the Maryland
4 Energy Administration, annually shall coordinate the preparation of a budget required
5 to carry out the provisions of this subtitle. Upon approval of the budget by the General
6 Assembly, the Public Service Commission shall establish the amount of the surcharge
7 per kilowatt hour for the fiscal year beginning July 1, 1972, and for each subsequent
8 fiscal year.

9 (2) Notwithstanding any other provisions of this subtitle, the amount
10 of the surcharge for each account for each retail electric customer may not exceed the
11 lesser of 0.15 mill per kilowatt hour or \$1,000 per month and the surcharge may not
12 continue beyond fiscal year 2010.

13 (3) The Comptroller shall maintain the method of collection of the
14 surcharge from the companies and the collections shall accrue to the Fund. The
15 Department shall credit against the amount required to be paid into the
16 Environmental Trust Fund by each electric company an amount equal to 0.75% of the
17 total surcharge attributed to each company on the basis of the electricity distributed
18 within Maryland.

19 (c) (1) The Secretary shall administer the Fund.

20 (2) The Fund is subject to the provisions for financial management
21 and budgeting established by the Department of Budget and Management.

22 (3) Any investment earnings of the Fund shall be credited to the
23 General Fund of the State.

24 (4) The Fund is a special, nonlapsing fund that is not subject to §
25 7-302 of the State Finance and Procurement Article.

26 (5) Except as provided in paragraph [(2)] (7) of this subsection, the
27 moneys in the Fund shall be used to:

28 (I) [carry] **CARRY** out the provisions of this subtitle as
29 provided for in the budget[, except that 10% of all moneys accruing to the Fund from
30 July 1, 1978 through June 30, 1983 shall be used to supplement funds necessary to
31 carry out the duties of the People's Counsel of the Public Service Commission. The
32 People's Counsel shall submit an annual budget of necessary supplemental funds to
33 the Department to be incorporated in the Department's budget.]; **AND**

34 (II) **PROVIDE GRANTS TO COUNTIES IN WHICH A POWER**
35 **PLANT IS LOCATED FOR RESEARCH ON THE LOCALIZED ENVIRONMENTAL**
36 **IMPACTS CAUSED BY THE POWER PLANT IN THOSE COUNTIES.**

1 **(6)** For the purposes of this subtitle, the Secretary[, in]:

2 **(I)** **IN** consultation with the Director of the Maryland Energy
3 Administration, may execute appropriate contracts with any State or federal agency,
4 research organization, industry, or academic institution to conduct the necessary
5 research, construct or acquire, or both, real property including physical predictive
6 models, laboratories, buildings, land, and appurtenances, or support the technological
7 development of extraordinary systems related to power plants designed to minimize
8 environmental impact.

9 **(II)** [The Secretary may] **MAY** utilize available expertise in any
10 other State unit in the development, execution, and management of contracts and
11 agreements **ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH** on
12 projects relating to their areas of prime responsibility.

13 **[(2)] (7)** Moneys in the Fund may be used for administrative costs
14 calculated in accordance with § 1-103(b)(2) of this article.

15 (d) (1) The Maryland Energy Administration shall receive administrative
16 and fiscal support from the Fund for studies relating to the conservation or production
17 of electric energy.

18 (2) Fiscal support to the Maryland Energy Administration from the
19 Fund may not exceed \$250,000 in any fiscal year.

20 (e) The Legislative Auditor shall conduct post audits of a fiscal and
21 compliance nature of the Fund and of the appropriations and expenditures made for
22 the purposes of this subtitle. The cost of the fiscal portion of the post audit
23 examinations shall be an operating cost of the Fund.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 October 1, 2008.