

HOUSE BILL 128

M3, M1, C2
HB 1438/24 – ECM & ENT

(PRE-FILED)

5lr1518
CF SB 149

By: **Delegate Fraser-Hidalgo**

Requested: October 30, 2024

Introduced and read first time: January 8, 2025

Assigned to: Economic Matters and Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2025

CHAPTER _____

1 AN ACT concerning

2 ~~Responding to Emergency Needs From Extreme Weather (RENEW) Act of 2025~~
3 Climate Change Adaptation and Mitigation – Total Assessed Cost of Greenhouse
4 Gas Emissions – Study and Reports

5 FOR the purpose of ~~establishing the Climate Change Adaptation and Mitigation Payment~~
6 ~~Program in the Department of the Environment to secure payments from certain~~
7 ~~businesses that extract fossil fuels or refine petroleum products in order to provide~~
8 ~~a source of revenue for State efforts to adapt to or mitigate the effects of climate~~
9 ~~change and to address the health impacts of climate change on vulnerable~~
10 ~~populations; establishing the Climate Change Adaptation and Mitigation Fund as a~~
11 ~~special, nonlapsing fund; authorizing the Legislative Auditor to conduct certain~~
12 ~~audits of the Fund and of the appropriations and expenditures made for the purposes~~
13 ~~of the Climate Change Adaptation and Mitigation Payment Program; requiring the~~
14 Comptroller, in coordination with the Department of the Environment and the
15 Department of Commerce, to report to certain committees on or before a certain date
16 on the total assessed cost of greenhouse gas emissions in the State based on the
17 findings of a certain study; authorizing the Comptroller to hire a consultant to
18 conduct the study; requiring the report to include certain information and
19 calculations; and generally relating to the Climate Change Adaptation and
20 Mitigation Payment Program greenhouse gas emissions in the State.

21 ~~BY repealing and reenacting, without amendments,~~
22 ~~Article – Environment~~
23 ~~Section 2-1504(a)~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- 1 ~~Annotated Code of Maryland~~
2 ~~(2013 Replacement Volume and 2024 Supplement)~~
- 3 ~~BY repealing and reenacting, with amendments,~~
4 ~~Article — Environment~~
5 ~~Section 2 — 1504(e)~~
6 ~~Annotated Code of Maryland~~
7 ~~(2013 Replacement Volume and 2024 Supplement)~~
- 8 ~~BY adding to~~
9 ~~Article — Environment~~
10 ~~Section 2 — 1701 through 2 — 1708 to be under the new subtitle “Subtitle 17. Climate~~
11 ~~Change Adaptation and Mitigation Payment Program”~~
12 ~~Annotated Code of Maryland~~
13 ~~(2013 Replacement Volume and 2024 Supplement)~~
- 14 ~~BY repealing and reenacting, without amendments,~~
15 ~~Article — Natural Resources~~
16 ~~Section 5 — 222(a) and (b) and 8 — 2B — 03(a)~~
17 ~~Annotated Code of Maryland~~
18 ~~(2023 Replacement Volume and 2024 Supplement)~~
- 19 ~~BY repealing and reenacting, with amendments,~~
20 ~~Article — Natural Resources~~
21 ~~Section 5 — 222(f) and 8 — 2B — 03(e)~~
22 ~~Annotated Code of Maryland~~
23 ~~(2023 Replacement Volume and 2024 Supplement)~~
- 24 ~~BY repealing and reenacting, without amendments,~~
25 ~~Article — Public Safety~~
26 ~~Section 14 — 110.4(b) and 14 — 110.5(b)~~
27 ~~Annotated Code of Maryland~~
28 ~~(2022 Replacement Volume and 2024 Supplement)~~
- 29 ~~BY repealing and reenacting, with amendments,~~
30 ~~Article — Public Safety~~
31 ~~Section 14 — 110.4(h) and 14 — 110.5(f)~~
32 ~~Annotated Code of Maryland~~
33 ~~(2022 Replacement Volume and 2024 Supplement)~~
- 34 ~~BY repealing and reenacting, without amendments,~~
35 ~~Article — State Government~~
36 ~~Section 9 — 2012(b) and (i)(1), 9 — 2015(b), and 9 — 20B — 05(a)~~
37 ~~Annotated Code of Maryland~~
38 ~~(2021 Replacement Volume and 2024 Supplement)~~
- 39 ~~BY repealing and reenacting, with amendments,~~

1 ~~Article State Government~~
 2 ~~Section 9-2012(i)(4), 9-2015(f), and 9-20B-05(e)~~
 3 ~~Annotated Code of Maryland~~
 4 ~~(2021 Replacement Volume and 2024 Supplement)~~

5 ~~BY adding to~~
 6 ~~Article State Government~~
 7 ~~Section 9-20B-05(i-2)~~
 8 ~~Annotated Code of Maryland~~
 9 ~~(2021 Replacement Volume and 2024 Supplement)~~

10 ~~BY repealing and reenacting, without amendments,~~
 11 ~~Article Transportation~~
 12 ~~Section 7-1202(a) and 7-1203(a)~~
 13 ~~Annotated Code of Maryland~~
 14 ~~(2020 Replacement Volume and 2024 Supplement)~~

15 ~~BY repealing and reenacting, with amendments,~~
 16 ~~Article Transportation~~
 17 ~~Section 7-1203(e)~~
 18 ~~Annotated Code of Maryland~~
 19 ~~(2020 Replacement Volume and 2024 Supplement)~~

20 Preamble

21 WHEREAS, Climate change, resulting primarily from the combustion of fossil fuels,
 22 is an immediate, grave threat to the State’s communities, environment, and economy; and

23 WHEREAS, In addition to mitigating the further buildup of greenhouse gases, the
 24 State must take action to adapt to certain consequences of climate change that are
 25 irreversible, including rising sea levels, increasing temperatures, extreme weather events,
 26 flooding, heat waves, toxic algae blooms, and other threats; and

27 WHEREAS, Meeting the challenge of adapting to and mitigating the effects of
 28 climate change will require a shared commitment of purpose and huge investments in new
 29 or upgraded infrastructure; and

30 WHEREAS, The State has previously adopted programs, such as the Cigarette
 31 Restitution Fund Program, to require industries that have profited by harming the public
 32 welfare to shoulder their share of the burden in redressing that harm; and

33 WHEREAS, Based on decades of research, it is now possible to determine with great
 34 accuracy the share of greenhouse gases released into the atmosphere by specific fossil fuel
 35 companies over the last 70 years or more, making it possible to assign liability and require
 36 compensation from companies commensurate with their emissions during a given time
 37 period; now, therefore,

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

~~Article—Environment~~

~~2-1504.~~

~~(a) There is a Zero Emission Vehicle School Bus Transition Fund.~~

~~(e) The Fund consists of:~~

~~(1) Money appropriated in the State budget to the Fund;~~

~~(2) Interest earnings of the Fund;~~

~~(3) Donations;~~

~~(4) Money derived from legal settlements earmarked for the purpose of transitioning to school buses that are zero emission vehicles; [and]~~

~~(5) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THIS TITLE; AND~~

~~(6) Any other money from any other source accepted for the benefit of the Fund.~~

~~SUBTITLE 17. CLIMATE CHANGE ADAPTATION AND MITIGATION PAYMENT PROGRAM.~~

~~2-1701.~~

~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED:~~

~~(B) (1) “CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECT” MEANS AN INFRASTRUCTURE PROJECT DESIGNED TO AVOID, MODERATE, OR REPAIR DAMAGE CAUSED BY CLIMATE CHANGE.~~

~~(2) “CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECT” INCLUDES PROJECTS TO:~~

~~(i) CONSTRUCT SEAWALLS OR OTHER COASTAL DEFENSE STRUCTURES;~~

~~(ii) UPGRADE STORMWATER OR SEWER SYSTEMS;~~

1 ~~(III) MAKE DEFENSIVE UPGRADES TO ROADS, BRIDGES, RAIL~~
2 ~~INFRASTRUCTURE, OR OTHER TRANSIT SYSTEMS;~~

3 ~~(IV) PREPARE FOR AND RECOVER FROM HURRICANES AND~~
4 ~~OTHER EXTREME WEATHER EVENTS;~~

5 ~~(V) RELOCATE, ELEVATE, OR RETROFIT WASTEWATER~~
6 ~~TREATMENT PLANTS THAT ARE VULNERABLE TO FLOODING;~~

7 ~~(VI) INSTALL HEAT PUMPS AND OTHER CLEAN ENERGY~~
8 ~~RETROFITS IN PUBLIC AND PRIVATE BUILDINGS, INCLUDING SCHOOL BUILDINGS;~~
9 ~~AND~~

10 ~~(VII) RESPOND TO TOXIC ALGAE BLOOMS, THE LOSS OF~~
11 ~~AGRICULTURAL TOPSOIL, AND OTHER CLIMATE-DRIVEN ECOSYSTEM THREATS TO~~
12 ~~FORESTS, FARMS, AND FISHERIES.~~

13 ~~(c) "COAL" INCLUDES:~~

14 ~~(1) BITUMINOUS COAL;~~

15 ~~(2) ANTHRACITE COAL; AND~~

16 ~~(3) LIGNITE.~~

17 ~~(d) "COMMUNITY DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS"~~
18 ~~MEANS A COMMUNITY IDENTIFIED IN ACCORDANCE WITH § 1-702 OF THIS ARTICLE.~~

19 ~~(e) "CONTROLLED GROUP" MEANS TWO OR MORE ENTITIES TREATED AS A~~
20 ~~SINGLE EMPLOYER UNDER:~~

21 ~~(1) § 52(A) OR (B) OF THE INTERNAL REVENUE CODE, WITHOUT~~
22 ~~REGARD TO § 1563(B)(2)(C) OF THE INTERNAL REVENUE CODE; OR~~

23 ~~(2) § 414(M) OR (O) OF THE INTERNAL REVENUE CODE.~~

24 ~~(f) "COST RECOVERY DEMAND" MEANS A CHARGE ASSERTED AGAINST A~~
25 ~~RESPONSIBLE PARTY FOR COST RECOVERY PAYMENTS UNDER THE PROGRAM.~~

26 ~~(g) "COVERED GREENHOUSE GAS EMISSIONS" MEANS THE TOTAL~~
27 ~~QUANTITY OF GREENHOUSE GASES RELEASED INTO THE ATMOSPHERE DURING THE~~
28 ~~COVERED PERIOD, EXPRESSED IN METRIC TONS OF CARBON DIOXIDE EQUIVALENT,~~
29 ~~RESULTING FROM THE USE OF FOSSIL FUELS OR PETROLEUM PRODUCTS~~
30 ~~EXTRACTED, PRODUCED, REFINED, OR SOLD BY AN ENTITY.~~

1 ~~(H) "COVERED PERIOD" MEANS MARCH 21, 1994, THROUGH DECEMBER 31,~~
2 ~~2023, BOTH INCLUSIVE.~~

3 ~~(I) (1) "CRUDE OIL" MEANS OIL OR PETROLEUM OF ANY KIND AND IN~~
4 ~~ANY FORM.~~

5 ~~(2) "CRUDE OIL" INCLUDES:~~

6 ~~(I) BITUMEN;~~

7 ~~(II) OIL SANDS;~~

8 ~~(III) HEAVY OIL;~~

9 ~~(IV) CONVENTIONAL AND UNCONVENTIONAL OIL;~~

10 ~~(V) SHALE OIL;~~

11 ~~(VI) NATURAL GAS LIQUIDS;~~

12 ~~(VII) CONDENSATES; AND~~

13 ~~(VIII) RELATED FOSSIL FUELS.~~

14 ~~(J) "ENTITY" MEANS ANY INDIVIDUAL, TRUSTEE, AGENT, PARTNERSHIP,~~
15 ~~ASSOCIATION, CORPORATION, COMPANY, MUNICIPAL CORPORATION, POLITICAL~~
16 ~~SUBDIVISION, OR OTHER PERSON, INCLUDING A FOREIGN NATION, THAT HOLDS OR~~
17 ~~HELD AN OWNERSHIP INTEREST IN A FOSSIL FUEL BUSINESS DURING THE COVERED~~
18 ~~PERIOD.~~

19 ~~(K) "FOSSIL FUEL" MEANS COAL, PETROLEUM PRODUCTS, AND FUEL~~
20 ~~GASES.~~

21 ~~(L) "FOSSIL FUEL BUSINESS" MEANS A BUSINESS ENGAGING IN THE~~
22 ~~EXTRACTION OF FOSSIL FUELS OR THE REFINING OF PETROLEUM PRODUCTS.~~

23 ~~(M) "FUEL GAS" INCLUDES:~~

24 ~~(1) METHANE;~~

25 ~~(2) NATURAL GAS;~~

26 ~~(3) LIQUEFIED NATURAL GAS; AND~~

1 ~~(4) MANUFACTURED FUEL GASES.~~

2 ~~(N) "FUND" MEANS THE CLIMATE CHANGE ADAPTATION AND MITIGATION~~
3 ~~FUND ESTABLISHED UNDER § 2-1705 OF THIS SUBTITLE.~~

4 ~~(O) "GREENHOUSE GAS" HAS THE MEANING STATED IN § 2-1202 OF THIS~~
5 ~~TITLE.~~

6 ~~(P) "NOTICE OF COST RECOVERY DEMAND" MEANS A WRITTEN~~
7 ~~COMMUNICATION INFORMING A RESPONSIBLE PARTY OF THE AMOUNT OF THE COST~~
8 ~~RECOVERY DEMAND PAYABLE TO THE DEPARTMENT UNDER THIS SUBTITLE.~~

9 ~~(Q) "PETROLEUM PRODUCT" MEANS ANY PRODUCT REFINED OR~~
10 ~~RE REFINED FROM:~~

11 ~~(1) SYNTHETIC OR CRUDE OIL; OR~~

12 ~~(2) CRUDE OIL EXTRACTED FROM NATURAL GAS LIQUIDS OR OTHER~~
13 ~~SOURCES.~~

14 ~~(R) "PROGRAM" MEANS THE CLIMATE CHANGE ADAPTATION AND~~
15 ~~MITIGATION PAYMENT PROGRAM ESTABLISHED UNDER § 2-1703 OF THIS~~
16 ~~SUBTITLE.~~

17 ~~(S) (1) "QUALIFYING EXPENDITURE" MEANS AN AUTHORIZED PAYMENT~~
18 ~~FROM THE FUND IN SUPPORT OF A CLIMATE CHANGE ADAPTIVE OR MITIGATION~~
19 ~~INFRASTRUCTURE PROJECT.~~

20 ~~(2) "QUALIFYING EXPENDITURE" INCLUDES, TO THE EXTENT~~
21 ~~AUTHORIZED IN DEPARTMENT REGULATIONS, A PAYMENT TOWARD THE OPERATION~~
22 ~~AND MAINTENANCE OF A CLIMATE CHANGE ADAPTIVE OR MITIGATION~~
23 ~~INFRASTRUCTURE PROJECT.~~

24 ~~(T) (1) "RESPONSIBLE PARTY" MEANS AN ENTITY, OR A SUCCESSOR IN~~
25 ~~INTEREST TO AN ENTITY, THAT:~~

26 ~~(i) DURING ANY PART OF THE COVERED PERIOD, WAS~~
27 ~~ENGAGED IN THE TRADE OR BUSINESS OF EXTRACTING FOSSIL FUEL OR REFINING~~
28 ~~CRUDE OIL; AND~~

29 ~~(ii) IS DETERMINED BY THE DEPARTMENT TO BE RESPONSIBLE~~
30 ~~FOR MORE THAN 1,000,000,000 TONS OF COVERED GREENHOUSE GAS EMISSIONS.~~

~~(2) "RESPONSIBLE PARTY" DOES NOT INCLUDE ANY PERSON THAT LACKS SUFFICIENT CONNECTION WITH THE STATE TO SATISFY THE NEXUS REQUIREMENTS OF THE UNITED STATES CONSTITUTION.~~

~~(U) "TOTAL ASSESSED COST OF GREENHOUSE GAS EMISSIONS" MEANS THE TOTAL ASSESSED COST TO THE STATE AND ITS RESIDENTS OF COVERED GREENHOUSE GAS EMISSIONS DURING THE COVERED PERIOD, AS DETERMINED BY THE STATE TREASURER IN ACCORDANCE WITH § 2-1704(C) OF THIS SUBTITLE.~~

~~2-1702.~~

~~(A) THIS SUBTITLE MAY NOT BE CONSTRUED TO:~~

~~(1) RELIEVE THE LIABILITY OF AN ENTITY FOR DAMAGES RESULTING FROM CLIMATE CHANGE, AS PROVIDED BY LAW;~~

~~(2) PREEMPT, DISPLACE, OR RESTRICT ANY RIGHT OR REMEDY OF A PERSON OR UNIT OF STATE OR LOCAL GOVERNMENT UNDER THE LAW RELATING TO A PAST, PRESENT, OR FUTURE ALLEGATION OF:~~

~~(I) DECEPTION CONCERNING THE EFFECTS OF FOSSIL FUELS ON CLIMATE CHANGE;~~

~~(II) DAMAGE OR INJURY RESULTING FROM THE ROLE OF FOSSIL FUELS IN CONTRIBUTING TO CLIMATE CHANGE; OR~~

~~(III) FAILURE TO AVOID DAMAGE OR INJURY RELATING TO CLIMATE CHANGE, INCLUDING CLAIMS FOR:~~

~~1. NUISANCE;~~

~~2. TRESPASS;~~

~~3. DESIGN DEFECT;~~

~~4. NEGLIGENCE;~~

~~5. FAILURE TO WARN;~~

~~6. DECEPTIVE OR UNFAIR PRACTICES; OR~~

~~7. INJUNCTIVE, DECLARATORY, MONETARY, OR OTHER FORM OF RELIEF; OR~~

1 ~~(3) PREEMPT, SUPERSEDE, OR DISPLACE ANY STATE OR LOCAL LAW,~~
2 ~~REGULATION, POLICY, OR PROGRAM THAT:~~

3 ~~(I) LIMITS, SETS, OR ENFORCES STANDARDS FOR~~
4 ~~GREENHOUSE GAS EMISSIONS;~~

5 ~~(II) MONITORS, REPORTS, OR KEEPS RECORDS OF~~
6 ~~GREENHOUSE GAS EMISSIONS;~~

7 ~~(III) COLLECTS REVENUE THROUGH FEES OR TAXES; OR~~

8 ~~(IV) CONDUCTS OR SUPPORTS INVESTIGATIONS.~~

9 ~~(B) (1) EVERY CASE FILED IN A COURT OF THE STATE UNDER STATE LAW~~
10 ~~MAY NOT BE EXPRESSLY OR IMPLIEDLY PREEMPTED, DISPLACED, MOOTED, OR~~
11 ~~DISMISSED ON ANY OTHER PRUDENTIAL CONSIDERATION ARISING FROM THIS~~
12 ~~SUBTITLE.~~

13 ~~(2) TO THE EXTENT THAT ANY ASPECT OF EVERY CASE FILED IN A~~
14 ~~COURT OF THE STATE IS REVIEWED FOR THE APPLICATION OF THIS SUBTITLE, THE~~
15 ~~APPLICATION OF THIS SUBTITLE IS SEVERABLE IN EACH OF ITS APPLICATIONS TO~~
16 ~~EVERY PERSON AND CIRCUMSTANCE.~~

17 ~~2-1703.~~

18 ~~(A) THERE IS A CLIMATE CHANGE ADAPTATION AND MITIGATION~~
19 ~~PAYMENT PROGRAM IN THE DEPARTMENT.~~

20 ~~(B) THE PURPOSE OF THE PROGRAM IS TO:~~

21 ~~(1) SECURE COMPENSATORY PAYMENTS FROM FOSSIL FUEL~~
22 ~~BUSINESSES BASED ON A STANDARD OF STRICT LIABILITY IN ORDER TO PROVIDE A~~
23 ~~SOURCE OF REVENUE FOR STATE EFFORTS TO:~~

24 ~~(I) ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE~~
25 ~~CHANGE, INCLUDING THROUGH THE IMPLEMENTATION OF CLIMATE CHANGE~~
26 ~~ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS; AND~~

27 ~~(II) ADDRESS THE HEALTH IMPACTS OF CLIMATE CHANGE ON~~
28 ~~VULNERABLE POPULATIONS;~~

29 ~~(2) DETERMINE THE PROPORTIONAL LIABILITY OF RESPONSIBLE~~
30 ~~PARTIES IN ACCORDANCE WITH § 2-1704 OF THIS SUBTITLE;~~

1 ~~(3) IMPOSE COST RECOVERY DEMANDS ON RESPONSIBLE PARTIES~~
 2 ~~AND ISSUE NOTICES OF COST RECOVERY DEMANDS;~~

3 ~~(4) ACCEPT AND COLLECT COST RECOVERY PAYMENTS FROM~~
 4 ~~RESPONSIBLE PARTIES;~~

5 ~~(5) IDENTIFY CLIMATE CHANGE ADAPTIVE OR MITIGATION~~
 6 ~~INFRASTRUCTURE PROJECTS WITHIN THE STATE;~~

7 ~~(6) DISBURSE FUNDS IN ACCORDANCE WITH THIS SUBTITLE; AND~~

8 ~~(7) ENSURE THAT AT LEAST 40% OF THE QUALIFIED EXPENDITURES~~
 9 ~~FROM THE PROGRAM GO TO CLIMATE CHANGE ADAPTIVE OR MITIGATION~~
 10 ~~INFRASTRUCTURE PROJECTS THAT DIRECTLY BENEFIT COMMUNITIES~~
 11 ~~DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS.~~

12 ~~2-1704.~~

13 ~~(A) THE STATE MAY IMPOSE COST RECOVERY DEMANDS ON A RESPONSIBLE~~
 14 ~~PARTY IF, AT ANY TIME DURING THE COVERED PERIOD, THE RESPONSIBLE PARTY:~~

15 ~~(1) DID BUSINESS IN THE STATE;~~

16 ~~(2) WAS REGISTERED TO DO BUSINESS IN THE STATE;~~

17 ~~(3) WAS APPOINTED AS AN AGENT OF THE STATE; OR~~

18 ~~(4) OTHERWISE HAD SUFFICIENT CONTACTS WITH THE STATE TO~~
 19 ~~GIVE THE STATE JURISDICTION OVER THE RESPONSIBLE PARTY IN ACCORDANCE~~
 20 ~~WITH STATE LAW.~~

21 ~~(B) (1) A RESPONSIBLE PARTY IS STRICTLY LIABLE, WITHOUT REGARD~~
 22 ~~TO FAULT, FOR A SHARE OF THE COSTS OF CLIMATE CHANGE ADAPTIVE OR~~
 23 ~~MITIGATION INFRASTRUCTURE PROJECTS, INCLUDING OPERATING AND~~
 24 ~~MAINTENANCE COSTS, SUPPORTED BY THE FUND.~~

25 ~~(2) FOR PURPOSES OF THIS SECTION, ENTITIES IN A CONTROLLED~~
 26 ~~GROUP:~~

27 ~~(I) SHALL BE TREATED BY THE DEPARTMENT AS A SINGLE~~
 28 ~~ENTITY FOR THE PURPOSE OF IDENTIFYING RESPONSIBLE PARTIES; AND~~

29 ~~(II) ARE JOINTLY AND SEVERALLY LIABLE FOR PAYMENT OF~~
 30 ~~ANY COST RECOVERY DEMAND OWED BY ANY ENTITY IN THE CONTROLLED GROUP.~~

~~(c) (1) WITH RESPECT TO EACH RESPONSIBLE PARTY, THE COST RECOVERY DEMAND SHALL BE EQUAL TO AN AMOUNT THAT BEARS THE SAME RATIO TO THE TOTAL ASSESSED COST OF GREENHOUSE GAS EMISSIONS AS THE RESPONSIBLE PARTY'S APPLICABLE SHARE OF COVERED GREENHOUSE GAS EMISSIONS BEARS TO THE AGGREGATE APPLICABLE SHARES OF ALL RESPONSIBLE PARTIES' COVERED GREENHOUSE GAS EMISSIONS.~~

~~(2) (i) ON OR BEFORE DECEMBER 1, 2026, THE STATE TREASURER, IN CONSULTATION WITH THE COMPTROLLER, THE DEPARTMENT, AND ANY OTHER ENTITY AS DETERMINED BY THE STATE TREASURER, SHALL REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE, THE SENATE JUDICIAL PROCEEDINGS COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE, AND THE HOUSE JUDICIARY COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE TOTAL ASSESSED COST OF GREENHOUSE GAS EMISSIONS.~~

~~(ii) THE REPORT REQUIRED UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH SHALL INCLUDE:~~

~~1. A SUMMARY OF THE VARIOUS COST DRIVING EFFECTS OF COVERED GREENHOUSE GAS EMISSIONS ON THE STATE, INCLUDING EFFECTS ON PUBLIC HEALTH, NATURAL RESOURCES, BIODIVERSITY, AGRICULTURE, ECONOMIC DEVELOPMENT, FLOOD PREPAREDNESS AND SAFETY, AND HOUSING, AND ANY OTHER EFFECT THAT THE STATE TREASURER, IN CONSULTATION WITH THE COMPTROLLER AND THE DEPARTMENT, DETERMINES TO BE RELEVANT;~~

~~2. A CATEGORIZED CALCULATION OF THE COSTS THAT HAVE BEEN INCURRED AND COSTS THAT ARE PROJECTED TO BE INCURRED BY THE STATE AND ITS RESIDENTS FOR EACH EFFECT IDENTIFIED UNDER ITEM 1 OF THIS SUBPARAGRAPH; AND~~

~~3. A CATEGORIZED CALCULATION OF THE COSTS THAT HAVE BEEN INCURRED AND COSTS THAT ARE PROJECTED TO BE INCURRED BY THE STATE AND ITS RESIDENTS TO MITIGATE THE EFFECTS OF COVERED GREENHOUSE GAS EMISSIONS DURING THE COVERED PERIOD.~~

~~(d) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A RESPONSIBLE PARTY'S APPLICABLE SHARE OF GREENHOUSE GAS EMISSIONS SHALL BE THE AMOUNT BY WHICH THE COVERED GREENHOUSE GAS EMISSIONS ATTRIBUTABLE TO THE RESPONSIBLE PARTY EXCEEDS 1,000,000,000 METRIC TONS.~~

~~(2) If a responsible party owns a minority interest of 10% or more in another entity, the responsible party's applicable share of greenhouse gas emissions shall be calculated as the applicable share of greenhouse gas emissions for the entity in which the responsible party holds a minority interest, as calculated under paragraph (1) of this subsection, multiplied by the percentage of the minority interest held by the responsible party.~~

~~(3) In determining the amount of greenhouse gas emissions attributable to an entity, the department shall assume that:~~

~~(i) 942.5 metric tons of carbon dioxide equivalent is released for every 1,000,000 pounds of coal attributable to the entity;~~

~~(ii) 432,180 metric tons of carbon dioxide equivalent is released for every 1,000,000 barrels of crude oil attributable to the entity; and~~

~~(iii) 53,440 metric tons of carbon dioxide equivalent is released for every 1,000,000 cubic feet of fuel gases attributable to the entity.~~

~~(e) The department may adjust the cost recovery demand amount of a responsible party that refines petroleum products or that is a successor in interest to an entity that refines petroleum products, if the responsible party establishes to the satisfaction of the department that:~~

~~(1) A portion of the cost recovery demand amount was attributable to the refining of crude oil extracted by another entity; and~~

~~(2) The crude oil extracted by the other entity was accounted for when the department determined the cost recovery demand amount for the other entity or a successor in interest of the other entity.~~

~~(f) (1) Except as provided in paragraph (2) of this subsection, a responsible party shall pay the cost recovery demand amount in full on or before October 1, 2027.~~

~~(2) (i) A responsible party may elect to pay the cost recovery demand amount in nine annual installments in accordance with this paragraph.~~

1 ~~(II) THE FIRST INSTALLMENT SHALL BE PAID ON OR BEFORE~~
2 ~~OCTOBER 1, 2027, AND SHALL BE EQUAL TO 20% OF THE TOTAL COST RECOVERY~~
3 ~~DEMAND AMOUNT.~~

4 ~~(III) EACH SUBSEQUENT INSTALLMENT SHALL BE PAID ON OR~~
5 ~~BEFORE SEPTEMBER 30 EACH SUBSEQUENT YEAR AND SHALL BE EQUAL TO 10% OF~~
6 ~~THE TOTAL COST RECOVERY DEMAND AMOUNT.~~

7 ~~(IV) 1. THE UNPAID BALANCE OF ALL REMAINING~~
8 ~~INSTALLMENTS SHALL BECOME DUE IMMEDIATELY IF:~~

9 ~~A. THE RESPONSIBLE PARTY FAILS TO PAY ANY~~
10 ~~INSTALLMENT IN A TIMELY MANNER, AS SPECIFIED IN DEPARTMENT REGULATIONS;~~

11 ~~B. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF~~
12 ~~THIS SUBPARAGRAPH, THERE IS A LIQUIDATION OR SALE OF SUBSTANTIALLY ALL~~
13 ~~THE ASSETS OF THE RESPONSIBLE PARTY, INCLUDING IN A BANKRUPTCY~~
14 ~~PROCEEDING; OR~~

15 ~~C. THE RESPONSIBLE PARTY CEASES TO DO BUSINESS.~~

16 ~~2. IN THE CASE OF A SALE OF SUBSTANTIALLY ALL THE~~
17 ~~ASSETS OF A RESPONSIBLE PARTY, THE REMAINING INSTALLMENTS SHALL NOT~~
18 ~~BECOME DUE IMMEDIATELY IF THE BUYER ENTERS INTO AN AGREEMENT WITH THE~~
19 ~~DEPARTMENT UNDER WHICH THE BUYER ASSUMES LIABILITY FOR THE REMAINING~~
20 ~~INSTALLMENTS DUE UNDER THIS SUBPARAGRAPH IN THE SAME MANNER AS IF THE~~
21 ~~BUYER WERE THE RESPONSIBLE PARTY.~~

22 ~~(G) THE DEPARTMENT SHALL DEPOSIT COST RECOVERY PAYMENTS~~
23 ~~COLLECTED UNDER THIS SECTION TO THE CLIMATE CHANGE ADAPTATION AND~~
24 ~~MITIGATION FUND ESTABLISHED UNDER § 2-1705 OF THIS SUBTITLE.~~

25 ~~(H) A RESPONSIBLE PARTY MAY REQUEST A HEARING UNDER TITLE 10,~~
26 ~~SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE (ADMINISTRATIVE PROCEDURE~~
27 ~~ACT—CONTESTED CASES) TO CONTEST A COST RECOVERY DEMAND MADE BY THE~~
28 ~~DEPARTMENT UNDER THIS SECTION.~~

29 ~~(I) (1) THE REMEDIES PROVIDED IN THIS SECTION ARE IN ADDITION TO~~
30 ~~ANY OTHER REMEDY PROVIDED BY LAW.~~

31 ~~(2) THIS SECTION MAY NOT BE CONSTRUED TO PREVENT A PERSON~~
32 ~~FROM PURSUING A CIVIL ACTION OR ANY OTHER REMEDY PROVIDED BY LAW.~~

1 ~~2-1705.~~

2 (A) ~~THERE IS A CLIMATE CHANGE ADAPTATION AND MITIGATION FUND.~~

3 (B) ~~THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING FOR STATE~~
4 ~~EFFORTS TO ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE CHANGE.~~

5 (C) ~~THE DEPARTMENT SHALL ADMINISTER THE FUND.~~

6 (D) (1) ~~THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT~~
7 ~~SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.~~

8 (2) ~~THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,~~
9 ~~AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.~~

10 (E) ~~THE FUND CONSISTS OF:~~

11 (1) ~~COST RECOVERY PAYMENTS DISTRIBUTED TO THE FUND UNDER~~
12 ~~§ 2-1704 OF THIS SUBTITLE;~~

13 (2) ~~MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;~~
14 ~~AND~~

15 (3) ~~ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR~~
16 ~~THE BENEFIT OF THE FUND.~~

17 (F) ~~THE FUND MAY BE USED ONLY:~~

18 (1) ~~TO PAY:~~

19 (i) ~~QUALIFIED EXPENDITURES FOR CLIMATE CHANGE~~
20 ~~ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS IDENTIFIED BY THE~~
21 ~~DEPARTMENT IN ACCORDANCE WITH REGULATIONS ADOPTED UNDER § 2-1707 OF~~
22 ~~THIS SUBTITLE; AND~~

23 (ii) ~~REASONABLE ADMINISTRATIVE COSTS OF THE PROGRAM;~~

24 (2) ~~TO PROVIDE GRANTS TO LOCAL JURISDICTIONS IN ACCORDANCE~~
25 ~~WITH § 2-1706 OF THIS SUBTITLE;~~

26 (3) ~~FOR THE DEPARTMENT'S COMPREHENSIVE FLOOD~~
27 ~~MANAGEMENT GRANT PROGRAM UNDER § 5-803 OF THIS ARTICLE TO IMPLEMENT;~~

28 (i) ~~CAPITAL PROJECTS UNDERTAKEN AS PART OF~~
29 ~~COMPREHENSIVE FLOOD MANAGEMENT PLANS; AND~~

1 ~~(H) INFRASTRUCTURE REPAIRS, WATERSHED RESTORATION,~~
2 ~~AND EMERGENCY PROTECTION WORK ASSOCIATED WITH FLOOD EVENTS; AND~~

3 ~~(4) TO SUPPORT THE FOLLOWING:~~

4 ~~(i) THE STATE DISASTER RECOVERY FUND UNDER §~~
5 ~~14-110.5 OF THE PUBLIC SAFETY ARTICLE FOR DISASTER RECOVERY ASSISTANCE;~~

6 ~~(ii) THE MARYLAND DEPARTMENT OF HEALTH'S OFFICE OF~~
7 ~~MINORITY HEALTH AND HEALTH DISPARITIES IN ADDRESSING THE HEALTH~~
8 ~~IMPACTS OF CLIMATE CHANGE ON MINORITY ADULTS, CHILDREN, AND INFANTS;~~

9 ~~(iii) THE MARYLAND DEPARTMENT OF HEALTH'S COMMUNITY~~
10 ~~HEALTH RESOURCES COMMISSION FOR THE HEALTH EQUITY RESOURCE~~
11 ~~COMMUNITIES PROGRAM;~~

12 ~~(iv) THE MARYLAND DEPARTMENT OF HEALTH'S MEDICAID~~
13 ~~ADMINISTRATION TO USE FOR THE STATE MEDICAID PROGRAM;~~

14 ~~(v) THE DEPARTMENT OF NATURAL RESOURCES TO~~
15 ~~INCORPORATE CLIMATE AND EQUITY PROVISIONS IN LOCAL CRITICAL AREA~~
16 ~~PROGRAM GRANTS;~~

17 ~~(vi) THE GREAT MARYLAND OUTDOORS FUND UNDER § 5-222~~
18 ~~OF THE NATURAL RESOURCES ARTICLE TO SUPPORT CLIMATE EDUCATION AND~~
19 ~~ADAPTATION ON PARK LANDS;~~

20 ~~(vii) THE WHOLE WATERSHED FUND UNDER § 8-2B-03 OF THE~~
21 ~~NATURAL RESOURCES ARTICLE TO SUPPORT WATERSHED AND COMMUNITY~~
22 ~~RESILIENCE;~~

23 ~~(viii) THE DEPARTMENT OF NATURAL RESOURCES IN MANAGING~~
24 ~~FLOODING THROUGH THE IMPLEMENTATION OF STREAM RESTORATION AND~~
25 ~~NATURAL FILTRATION PROJECTS;~~

26 ~~(ix) THE DEPARTMENT OF NATURAL RESOURCES IN~~
27 ~~PROVIDING PLANNING GRANTS TO LOCAL GOVERNMENTS TO PREPARE FOR~~
28 ~~EXTREME FLOODING;~~

29 ~~(x) THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND~~
30 ~~UNDER § 9-20B-05 OF THE STATE GOVERNMENT ARTICLE FOR;~~

1 ~~1. ENERGY EFFICIENCY PROGRAMS BENEFITTING~~
2 ~~LOW INCOME AND MODERATE INCOME HOUSEHOLDS; AND~~

3 ~~2. OTHER CLEAN ENERGY INVESTMENTS;~~

4 ~~(XI) THE RESILIENCY HUB GRANT PROGRAM FUND UNDER §~~
5 ~~9-2015 OF THE STATE GOVERNMENT ARTICLE IN DEVELOPING RESILIENCY HUBS~~
6 ~~SERVING LOW INCOME AND MODERATE INCOME HOUSEHOLDS;~~

7 ~~(XII) THE MARYLAND DEPARTMENT OF EMERGENCY~~
8 ~~MANAGEMENT IN SUPPLEMENTING PRE-DISASTER MITIGATION FUNDING~~
9 ~~PROVIDED UNDER THE FEDERAL BUILDING RESILIENT INFRASTRUCTURE AND~~
10 ~~COMMUNITIES (BRIC) GRANT PROGRAM;~~

11 ~~(XIII) THE RESILIENT MARYLAND REVOLVING LOAN FUND~~
12 ~~UNDER § 14-110.4 OF THE PUBLIC SAFETY ARTICLE;~~

13 ~~(XIV) THE CLIMATE CATALYTIC CAPITAL FUND UNDER § 10-855~~
14 ~~OF THE ECONOMIC DEVELOPMENT ARTICLE;~~

15 ~~(XV) THE DEPARTMENT OF HOUSING AND COMMUNITY~~
16 ~~DEVELOPMENT IN PROVIDING GRANTS AND LOANS UNDER THE MARYLAND~~
17 ~~WHOLEHOME PROGRAM;~~

18 ~~(XVI) THE MARYLAND ENERGY ADMINISTRATION IN PROVIDING~~
19 ~~FINANCIAL ASSISTANCE TO LOW INCOME AND MODERATE INCOME HOUSEHOLDS~~
20 ~~TO TRANSITION THEIR HOMES OFF FOSSIL FUELS;~~

21 ~~(XVII) THE ENERGY STORAGE SYSTEM GRANT FUND UNDER §~~
22 ~~9-2012 OF THE STATE GOVERNMENT ARTICLE;~~

23 ~~(XVIII) THE DEPARTMENT OF COMMERCE IN ATTRACTING~~
24 ~~CLEANTECH AND RENEWABLE ENERGY BUSINESSES TO THE STATE;~~

25 ~~(XIX) THE DEPARTMENT'S DAM SAFETY PROGRAM UNDER TITLE~~
26 ~~5, SUBTITLE 5 OF THIS ARTICLE;~~

27 ~~(XX) THE DEPARTMENT IN SUPPLEMENTING FUNDING FOR THE~~
28 ~~COMMISSION ON ENVIRONMENTAL JUSTICE AND SUSTAINABLE COMMUNITIES~~
29 ~~UNDER TITLE 1, SUBTITLE 7 OF THIS ARTICLE;~~

30 ~~(XXI) THE DEPARTMENT OF TRANSPORTATION FOR THE~~
31 ~~STATEWIDE TRANSIT INNOVATION GRANT PROGRAM;~~

1 ~~(XXII) THE ZERO EMISSION VEHICLE SCHOOL BUS TRANSITION~~
2 ~~FUND UNDER § 2-1504 OF THIS TITLE;~~

3 ~~(XXIII) THE MARYLAND ENERGY ADMINISTRATION FOR THE~~
4 ~~MEDIUM DUTY AND HEAVY DUTY ZERO EMISSION VEHICLE GRANT PROGRAM~~
5 ~~UNDER § 9-2011 OF THE STATE GOVERNMENT ARTICLE;~~

6 ~~(XXIV) THE MARYLAND ENERGY ADMINISTRATION FOR THE~~
7 ~~ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE PROGRAM UNDER § 9-2009~~
8 ~~OF THE STATE GOVERNMENT ARTICLE;~~

9 ~~(XXV) THE DEPARTMENT OF TRANSPORTATION FOR THE KIM~~
10 ~~LAMPHIER BIKEWAYS NETWORK PROGRAM UNDER § 2-608 OF THE~~
11 ~~TRANSPORTATION ARTICLE;~~

12 ~~(XXVI) THE TRANSIT-ORIENTED DEVELOPMENT CAPITAL~~
13 ~~GRANT AND REVOLVING LOAN FUND UNDER TITLE 7, SUBTITLE 12 OF THE~~
14 ~~TRANSPORTATION ARTICLE;~~

15 ~~(XXVII) THE DEPARTMENT IN HIRING ADDITIONAL STAFF IN~~
16 ~~THE DEPARTMENT TO WORK ON INITIATIVES TO PROTECT OVERBURDENED AND~~
17 ~~UNDERSERVED COMMUNITIES, AS DEFINED IN § 1-701 OF THIS ARTICLE, FROM THE~~
18 ~~EFFECTS OF CLIMATE CHANGE THROUGH IMPROVEMENTS TO PERMITTING~~
19 ~~PROCESSES, COMMUNITY OUTREACH EFFORTS, AND OTHER INITIATIVES;~~

20 ~~(XXVIII) THE DEPARTMENT IN HIRING ADDITIONAL STAFF TO~~
21 ~~SUPPORT THE DEPARTMENT'S CLIMATE CHANGE PROGRAM;~~

22 ~~(XXIX) THE PUBLIC SERVICE COMMISSION IN HIRING~~
23 ~~ADDITIONAL STAFF TO SUPPORT IMPLEMENTATION OF THE EMPOWER MARYLAND~~
24 ~~PROGRAM; AND~~

25 ~~(XXX) THE MARYLAND DEPARTMENT OF EMERGENCY~~
26 ~~MANAGEMENT IN HIRING ENGINEERING STAFF FOR THE OFFICE OF RESILIENCY TO~~
27 ~~WORK ON FLOOD-RELATED ISSUES.~~

28 ~~(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND~~
29 ~~IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.~~

30 ~~(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO~~
31 ~~THE GENERAL FUND OF THE STATE.~~

32 ~~(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE~~
33 ~~WITH THE STATE BUDGET.~~

~~(I) FOR EACH FISCAL YEAR, AT LEAST 40% OF FUNDING PROVIDED UNDER THE FUND SHALL BE USED FOR PROJECTS THAT DIRECTLY BENEFIT COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS.~~

~~2-1706.~~

~~(A) THE DEPARTMENT SHALL ESTABLISH AND ADMINISTER A GRANT PROGRAM FOR THE DISTRIBUTION OF FUNDS RECEIVED UNDER § 2-1705(F)(2) OF THIS SUBTITLE TO LOCAL JURISDICTIONS FOR THE PURPOSE OF ASSISTING LOCAL EFFORTS TO ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE CHANGE.~~

~~(B) THE DEPARTMENT SHALL ESTABLISH:~~

~~(1) APPLICATION PROCEDURES FOR THE GRANT PROGRAM;~~

~~(2) CRITERIA FOR PRIORITIZING APPLICATIONS UNDER THE GRANT PROGRAM;~~

~~(3) PROCEDURES FOR AWARDING GRANTS UNDER THE GRANT PROGRAM; AND~~

~~(4) ANY OTHER PROCEDURES OR CRITERIA NECESSARY TO CARRY OUT THIS SECTION.~~

~~2-1707.~~

~~(A) ON OR BEFORE OCTOBER 1, 2026, THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO CARRY OUT THE PROGRAM.~~

~~(B) THE REGULATIONS SHALL INCLUDE:~~

~~(1) METHODOLOGIES USING THE BEST AVAILABLE SCIENCE TO IDENTIFY RESPONSIBLE PARTIES AND DETERMINE RESPONSIBLE PARTIES' APPLICABLE SHARES OF GREENHOUSE GAS EMISSIONS;~~

~~(2) RULES RELATING TO:~~

~~(I) REGISTERING ENTITIES DETERMINED TO BE RESPONSIBLE PARTIES UNDER THE PROGRAM;~~

~~(II) ISSUING NOTICES OF COST RECOVERY DEMANDS THAT SHALL INCLUDE:~~

~~1. THE COST RECOVERY DEMAND AMOUNT;~~

1 ~~2. THE TIME AND MANNER IN WHICH COST RECOVERY~~
2 ~~PAYMENTS MUST BE MADE;~~

3 ~~3. THE CONSEQUENCES OF NONPAYMENT OR LATE~~
4 ~~PAYMENT; AND~~

5 ~~4. INFORMATION REGARDING THE RIGHT TO REQUEST A~~
6 ~~CONTESTED CASE HEARING; AND~~

7 ~~(III) ACCEPTING PAYMENTS FROM, PURSUING COLLECTION~~
8 ~~EFFORTS AGAINST, AND NEGOTIATING SETTLEMENT AGREEMENTS WITH~~
9 ~~RESPONSIBLE PARTIES; AND~~

10 ~~(3) SUBJECT TO SUBSECTION (C) OF THIS SECTION, PROCEDURES~~
11 ~~FOR IDENTIFYING CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE~~
12 ~~PROJECTS ELIGIBLE TO RECEIVE QUALIFYING EXPENDITURES FROM THE FUND.~~

13 ~~(C) (1) THE DEPARTMENT MAY BY REGULATION PROVIDE FOR CLIMATE~~
14 ~~CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS TO BE IDENTIFIED~~
15 ~~FOR FUNDING THROUGH:~~

16 ~~(I) LEGISLATIVE BUDGET APPROPRIATIONS;~~

17 ~~(II) THE ISSUANCE OF REQUESTS FOR PROPOSALS FROM LOCAL~~
18 ~~GOVERNMENTS, NONPROFIT ORGANIZATIONS, OR COMMUNITY GROUPS; OR~~

19 ~~(III) ANY OTHER METHOD THE DEPARTMENT DEEMS~~
20 ~~APPROPRIATE.~~

21 ~~(2) THE DEPARTMENT SHALL ENSURE THAT AT LEAST 40% OF THE~~
22 ~~QUALIFIED EXPENDITURES FROM THE PROGRAM GO TO CLIMATE CHANGE~~
23 ~~ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS THAT DIRECTLY BENEFIT~~
24 ~~COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS.~~

25 ~~2-1708.~~

26 ~~(A) ON OR BEFORE OCTOBER 1, 2028, AND EACH OCTOBER 1 THEREAFTER,~~
27 ~~THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH~~
28 ~~§ 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:~~

29 ~~(1) THE COST RECOVERY PAYMENTS RECEIVED AND THE FUNDING~~
30 ~~DISBURSED FROM THE FUND DURING THE PRECEDING FISCAL YEAR;~~

~~(2) THE STATUS OF CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS FUNDED UNDER THE PROGRAM;~~

~~(3) THE PERCENTAGE OF QUALIFIED EXPENDITURES MADE DURING THE PRECEDING FISCAL YEAR THAT FUNDED CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS THAT DIRECTLY BENEFITED COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS; AND~~

~~(4) THE EFFECTIVENESS OF THE PROGRAM IN ACHIEVING THE PURPOSES OF THIS SUBTITLE.~~

~~(B) (1) THE LEGISLATIVE AUDITOR MAY CONDUCT POST AUDITS OF A FISCAL AND COMPLIANCE NATURE OF THE FUND AND OF THE APPROPRIATIONS AND EXPENDITURES MADE FOR THE PURPOSES OF THIS SUBTITLE.~~

~~(2) THE COST OF THE FISCAL PORTION OF AN AUDIT SHALL BE PAID FROM THE FUND AS AN ADMINISTRATIVE COST.~~

~~Article Natural Resources~~

~~§ 222.~~

~~(a) In this section, "Fund" means the Great Maryland Outdoors Fund.~~

~~(b) There is a Great Maryland Outdoors Fund in the Department.~~

~~(c) The Fund consists of:~~

~~(1) Money appropriated in the State budget to the Fund in accordance with subsection (j) of this section;~~

~~(2) Interest earnings of the Fund; [and]~~

~~(3) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE; AND~~

~~(4) Any other money from any other source accepted for the benefit of the Fund.~~

~~§ 2B-03.~~

~~(a) There is a Whole Watershed Fund.~~

~~(c) The Fund consists of:~~

1 ~~(1) Revenue distributed to the Fund from:~~

2 ~~(i) The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund~~
3 ~~established under § 8-2A-02 of this title;~~

4 ~~(ii) The Bay Restoration Fund established under § 9-1605.2 of the~~
5 ~~Environment Article;~~

6 ~~(iii) The Clean Water Commerce Account established under §~~
7 ~~9-1605.4 of the Environment Article;~~

8 ~~(iv) The Maryland Agricultural Land Preservation Fund established~~
9 ~~under § 2-505 of the Agriculture Article;~~

10 ~~(v) The cost-sharing program established under § 8-702 of the~~
11 ~~Agriculture Article; and~~

12 ~~(vi) The Waterway Improvement Fund established under § 8-707 of~~
13 ~~this title;~~

14 ~~(2) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION~~
15 ~~AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT~~
16 ~~ARTICLE;~~

17 ~~(3) Money appropriated in the State budget to the Fund;~~

18 ~~[(3)] (4) Interest earnings; and~~

19 ~~[(4)] (5) Any other money from any other source accepted for the benefit~~
20 ~~of the Fund.~~

21 ~~Article — Public Safety~~

22 ~~14-110.4.~~

23 ~~(b) There is a Resilient Maryland Revolving Loan Fund.~~

24 ~~(h) The Fund consists of:~~

25 ~~(1) money appropriated in the State budget to the Fund;~~

26 ~~(2) investment and interest earnings of the Fund;~~

27 ~~(3) repayments of principal and interest from loans made from the Fund;~~

1 ~~(4) money received from the Federal Emergency Management Agency;~~
 2 ~~[and]~~

3 ~~(5) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION~~
 4 ~~AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT~~
 5 ~~ARTICLE; AND~~

6 ~~(6) any other money from any other source accepted for the benefit of the~~
 7 ~~Fund.~~

8 ~~14-110.5.~~

9 ~~(b) There is a State Disaster Recovery Fund.~~

10 ~~(f) (1) The Governor may include in the annual budget bill an appropriation~~
 11 ~~to the Fund.~~

12 ~~(2) The Fund [shall consist] CONSISTS of:~~

13 ~~(i) money appropriated in the State budget to the Fund;~~

14 ~~(ii) repayments of principal and interest from loans made from the~~
 15 ~~Fund;~~

16 ~~(iii) reimbursements from the federal government or other legal~~
 17 ~~entities for disaster recovery assistance expenditures made from the Fund;~~

18 ~~(iv) FUNDS RECEIVED FROM THE CLIMATE CHANGE~~
 19 ~~ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE~~
 20 ~~ENVIRONMENT ARTICLE;~~

21 ~~(v) interest earnings of the Fund; and~~

22 ~~[(v)] (VI) any other money from any other source accepted for the~~
 23 ~~benefit of the Fund.~~

24 ~~Article State Government~~

25 ~~9-2012.~~

26 ~~(b) There is an Energy Storage System Grant Program in the Administration.~~

27 ~~(i) (1) There is an Energy Storage System Grant Fund.~~

28 ~~(4) The Fund consists of:~~

1 ~~(i) money appropriated in the State budget to the Fund; [and]~~

2 ~~(ii) MONEY RECEIVED FROM THE CLIMATE CHANGE~~
 3 ~~ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE~~
 4 ~~ENVIRONMENT ARTICLE; AND~~

5 ~~(iii) any other money from any other source accepted for the benefit~~
 6 ~~of the Fund.~~

7 ~~9-2015.~~

8 ~~(b) There is a Resiliency Hub Grant Program Fund.~~

9 ~~(f) The Fund consists of:~~

10 ~~(1) grant funding obtained under subsection (k) of this section;~~

11 ~~(2) funds distributed to the Fund under § 9-20B-05 of this title and §§~~
 12 ~~2-110.1 and 13-201 of the Public Utilities Article;~~

13 ~~(3) money appropriated in the State budget to the Fund;~~

14 ~~(4) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION~~
 15 ~~AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT~~
 16 ~~ARTICLE;~~

17 ~~(5) interest earnings; and~~

18 ~~[(5)] (6) any other money from any other source accepted for the benefit~~
 19 ~~of the Fund.~~

20 ~~9-20B-05.~~

21 ~~(a) There is a Maryland Strategic Energy Investment Fund.~~

22 ~~(e) The Fund consists of:~~

23 ~~(1) all of the proceeds from the sale of allowances under § 2-1002(g) of the~~
 24 ~~Environment Article;~~

25 ~~(2) money appropriated in the State budget to the Program;~~

26 ~~(3) repayments and prepayments of principal and interest on loans made~~
 27 ~~from the Fund;~~

28 ~~(4) interest and investment earnings on the Fund;~~

~~(iii) MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1705 OF THE ENVIRONMENT ARTICLE;~~

~~(IV) Ground rents or land sale proceeds in accordance with § 10-306(e)(2) of the State Finance and Procurement Article;~~

~~[(iv)] (V) Payments of principal of and interest on loans made under this title;~~

~~[(v)] (VI) Investment earnings of the Fund; and~~

~~[(vi)] (VII) Any other money from any other source, public or private, accepted for the benefit of the Fund.~~

~~(2) Contributions to the Fund under paragraph [(1)(iii)] (1)(IV) of this subsection shall:~~

~~(i) Be separately accounted for in the Fund; and~~

~~(ii) Be used only for the benefit of transit-oriented developments in the same county where the real property subject to the ground rent or land sale is located.~~

(a) (1) The Comptroller, in coordination with the Department of the Environment and the Department of Commerce, shall conduct a study to assess the total cost of greenhouse gas emissions in the State.

(2) The Comptroller may hire a consultant to conduct the study.

(b) On or before December 1, 2026, the Comptroller, the Department of the Environment, and the Department of Commerce shall report to the Senate Budget and Taxation Committee, the Senate Committee on Education, Energy, and the Environment, the Senate Judicial Proceedings Committee, the House Appropriations Committee, the House Environment and Transportation Committee, and the House Judiciary Committee, in accordance with § 2-1257 of the State Government Article, on the total assessed cost of greenhouse gas emissions in the State based on the findings of the study conducted under subsection (a) of this section.

(c) The report required under subsection (b) of this section shall include:

(1) a summary of the various cost-driving effects of covered greenhouse gas emissions on the State, including effects on public health, natural resources, biodiversity, agriculture, economic development, flood preparedness and safety, and housing, and any other effect that the Comptroller and the Department of the Environment determine to be relevant;

1 (2) a categorized calculation of the costs that have been incurred and costs
2 that are projected to be incurred by the State and its residents for each effect identified
3 under item (1) of this subsection;

4 (3) a categorized calculation of the costs that have been incurred and costs
5 that are projected to be incurred by the State and its residents to mitigate the effects of
6 covered greenhouse gas emissions during the covered period; and

7 (4) an economic analysis to determine whether there would be a cost passed
8 on to taxpayers as a result of requiring each fossil fuel company that has a sufficient nexus
9 to the State and emitted more than 1,000,000,000 tons of greenhouse gas emissions globally
10 between 1995 and 2024 to compensate the State for climate change.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.