

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 903
 Judiciary

(Delegate Buckel, *et al.*)

Courts - Global Warming and Climate Change - Prohibited Actions (Ratepayer Protection Act of 2025)

This bill prohibits a State or local government, or an agency of the State or a local government, from filing an action for monetary damages or alleged economic damages against a business for the adverse effects of global warming or climate change in the State. The bill does not (1) prohibit the federal government, the State, or a local government from enforcing health, environmental, zoning, or any other applicable law or (2) relieve a business from the responsibility of complying with the terms of any applicable federal, State, or local law.

Fiscal Summary

State Effect: General fund expenditures for the Maryland Department of the Environment (MDE) increase by \$119,300 in FY 2026. Future years reflect annualization and inflation. The bill’s effect on State revenues is indeterminate, as discussed below.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	119,300	144,800	151,200	157,900	164,700
Net Effect	(\$119,300)	(\$144,800)	(\$151,200)	(\$157,900)	(\$164,700)

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

Local Effect: The bill is not anticipated to materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Climate change” means the increasing changes in the measures of climate over a long period of time, including precipitation, temperature, and wind patterns.

“Global warming” means the rise in global temperatures due to the increasing concentrations of greenhouse gases (GHGs) in the atmosphere.

Current Law:

The Maryland Department of the Environment’s Climate Change Program

MDE’s Climate Change Program leads the State’s efforts to reduce GHG emissions, as required by the GHG Emissions Reduction Act and participation and oversight in other initiatives, including the Regional Greenhouse Gas Initiative (RGGI) and the U.S. Climate Alliance. The program also ensures State compliance with climate-related State and federal laws, such as the Climate Solutions Now Act (Chapter 38 of 2022), discussed below.

The U.S. Climate Alliance is a bipartisan coalition of governors, including the Governor of Maryland, committed to reducing GHG emissions consistent with the goals of the Paris Agreement. These goals include reducing collective net GHG emissions by at least 26% to 28% by 2025 and by 50% to 52% by 2030 (both below 2005 levels) and collectively achieving overall net-zero GHG emissions as soon as practicable, but no later than 2050.

Maryland also participates in the multi-state RGGI in order to reduce CO₂ emissions from the power sector. Each participating state limits CO₂ emissions from electric power plants, issues CO₂ allowances, and establishes participation in CO₂ allowance auctions. A single CO₂ allowance represents a limited authorization to emit one ton of CO₂.

Chapters 127 and 128 of 2008 created the Maryland Strategic Energy Investment Program and the implementing Strategic Energy Investment Fund (SEIF) to decrease energy demand and increase energy supply to promote affordable, reliable, and clean energy. SEIF is primarily funded through the proceeds from the auction of carbon allowances under RGGI.

Maryland Greenhouse Gas Emissions Reduction Targets and the Climate Solutions Now Act

The Climate Solutions Now Act made broad changes to the State’s approach to reducing statewide GHG emissions and addressing climate change. Among other things, the Act

accelerated previous statewide GHG emissions reductions targets originally established under the Greenhouse Gas Emissions Reduction Act by requiring the State to develop plans, adopt regulations, and implement programs to (1) reduce GHG emissions by 60% from 2006 levels by 2031 and (2) achieve net-zero statewide GHG emissions by 2045.

In December 2023, MDE published [Maryland’s Climate Pollution Reduction Plan](#), which was developed to implement Chapter 38.

State Fiscal Effect: General fund expenditures for MDE increase by \$119,337 in fiscal 2026, which accounts for the bill’s October 1, 2025 effective date. This estimate reflects the cost of hiring one assistant Attorney General to address additional litigation expected under the bill, as discussed below. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$111,968
Operating Expenses	<u>7,369</u>
Total FY 2026 State Expenditures	\$119,337

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

The Office of the Attorney General (OAG) advises that the lack of clarity and extensive scope of the bill’s provisions may lead to confusion regarding which environmental violations are enforceable. Depending on interpretation, the bill may prevent the State from seeking recovery for climate change-related impacts in cases. OAG and MDE anticipate an increase in lawsuits filed by regulated businesses against MDE and/or more vigorous defenses in existing litigation. Thus, one assistant Attorney General is assumed to be needed at MDE to accommodate the anticipated increase in workload.

To the extent the bill hinders the State’s ability to collect fines and penalties for environmental violations, State revenues decrease. However, any such impact cannot be predicted in advance and is not specifically accounted for in this estimate.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Environmental Service; Baltimore, Carroll, Queen Anne's, and St. Mary's counties; Office of the Attorney General; Judiciary (Administrative Office of the Courts); Maryland Department of the Environment; Department of Natural Resources; Department of Legislative Services

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