

HOUSE BILL 1065

M3, P2

6lr2008

By: **Delegates Lehman, Kaufman, J. Long, Odom, Ruth, Taveras, and Terrasa**
Introduced and read first time: February 9, 2026
Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Coal Combustion By-Product Materials – Grant Program and Procurement**
3 **Preference**

4 FOR the purpose of establishing the Coal Combustion By-Product Materials Grant
5 Program in the Department of the Environment to award grants to eligible
6 manufacturers of cement, concrete, or construction materials in the State that use
7 certain coal combustion by-products; requiring each unit of State government to give
8 preference to certain bids that demonstrate the use of certain coal combustion
9 by-products when awarding procurement contracts; and generally relating to coal
10 combustion by-products.

11 BY repealing and reenacting, without amendments,
12 Article – Environment
13 Section 2-1205(a) and (g)
14 Annotated Code of Maryland
15 (2013 Replacement Volume and 2025 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article – Environment
18 Section 9-289(a)
19 Annotated Code of Maryland
20 (2014 Replacement Volume and 2025 Supplement)

21 BY adding to
22 Article – Environment
23 Section 9-292
24 Annotated Code of Maryland
25 (2014 Replacement Volume and 2025 Supplement)

26 BY adding to
27 Article – State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 Section 14–419
2 Annotated Code of Maryland
3 (2021 Replacement Volume and 2025 Supplement)

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

6 **Article – Environment**

7 2–1205.

8 (a) The State shall develop plans, adopt regulations, and implement programs
9 that reduce statewide greenhouse gas emissions in accordance with this subtitle.

10 (g) (1) Paragraphs (2) and (3) of this subsection apply only to persons who
11 engaged in manufacturing in 2023.

12 (2) (i) Unless required by federal law or regulations or existing State
13 law, regulations adopted by State agencies to implement a final plan may not:

14 1. Require any manufacturer to reduce greenhouse gas
15 emissions below the emissions levels for that manufacturer in 2023;

16 2. Cause an increase in costs to a manufacturer that are
17 significantly beyond the costs that were incurred by that manufacturer in 2023; or

18 3. Require any manufacturer that is engaged in the creation
19 of renewable energy components or technology aimed at greenhouse gas emissions
20 reductions to reduce greenhouse gas emissions.

21 (ii) Subparagraph (i) of this paragraph may not be construed to
22 exempt greenhouse gas emissions sources in the State’s manufacturing sector from the
23 obligation to comply with:

24 1. Greenhouse gas emissions monitoring, recordkeeping, and
25 reporting requirements for which the Department had existing authority under § 2–301(a)
26 of this title on or before October 1, 2009; or

27 2. Greenhouse gas emissions reductions required of the
28 manufacturing sector as a result of the State’s implementation of the Regional Greenhouse
29 Gas Initiative.

30 (3) A regulation adopted by a State agency for the purpose of reducing
31 greenhouse gas emissions in accordance with this section may not be construed to result in
32 a significant increase in costs to the State’s manufacturing sector unless the source would
33 not incur the cost increase but for the new regulation.

1 9–289.

2 (a) (1) In this part, “coal combustion by–product” means the residue generated
3 by or resulting from the burning of coal.

4 (2) “Coal combustion by–product” includes:

5 (i) Fly ash;

6 (ii) Bottom ash;

7 (iii) Boiler slag;

8 (iv) Pozzolan, as defined in § 15–407 of this article; and

9 (v) Solid residuals removed by air pollution control devices from the
10 flue gas and combustion chambers of coal–burning furnaces and boilers.

11 **9–292.**

12 (A) **IN THIS SECTION, “GRANT PROGRAM” MEANS THE COAL COMBUSTION**
13 **BY–PRODUCT MATERIALS GRANT PROGRAM.**

14 (B) **THERE IS A COAL COMBUSTION BY–PRODUCT MATERIALS GRANT**
15 **PROGRAM IN THE DEPARTMENT.**

16 (C) **THE PURPOSE OF THE GRANT PROGRAM IS TO AWARD GRANTS TO**
17 **ELIGIBLE MANUFACTURERS OF CEMENT, CONCRETE, OR CONSTRUCTION**
18 **MATERIALS IN THE STATE.**

19 (D) **THE DEPARTMENT SHALL:**

20 (1) **ADMINISTER THE GRANT PROGRAM;**

21 (2) **IDENTIFY AND APPLY FOR FUNDING FOR THE GRANT PROGRAM;**

22 **AND**

23 (3) **IN COORDINATION WITH THE MARYLAND ENERGY**
24 **ADMINISTRATION, AUDIT AND CERTIFY GRANTS AWARDED UNDER THE GRANT**
25 **PROGRAM.**

26 (E) **ELIGIBLE MANUFACTURERS OF CEMENT, CONCRETE, OR**
27 **CONSTRUCTION MATERIALS SHALL, TO THE SATISFACTION OF THE DEPARTMENT:**

1 **(1) (I) ACCEPT COAL COMBUSTION BY-PRODUCTS SOURCED FROM**
2 **THE STATE AS FEEDSTOCK FOR THE CEMENT, CONCRETE, OR CONSTRUCTION**
3 **MATERIALS;**

4 **(II) PROCESS THE COAL COMBUSTION BY-PRODUCTS**
5 **APPROPRIATELY; AND**

6 **(III) PRODUCE THE FINISHED CEMENT, CONCRETE, OR**
7 **CONSTRUCTION MATERIALS USING THE STATE-SOURCED FEEDSTOCK;**

8 **(2) FOR PROJECTS IN AND NEAR COMMUNITIES IMPACTED BY THE**
9 **GENERATION OF COAL COMBUSTION BY-PRODUCTS:**

10 **(I) CREATE JOBS LOCATED IN COMMUNITIES IMPACTED BY**
11 **THE GENERATION OF COAL COMBUSTION BY-PRODUCTS THAT MEET:**

12 **1. PREVAILING WAGE STANDARDS; OR**

13 **2. STANDARDS SET BY AN APPLICABLE COMMUNITY**
14 **BENEFITS AGREEMENT OR WORKFORCE PARTICIPATION PLAN; AND**

15 **(II) PRIORITIZE:**

16 **1. EMPLOYMENT OF LOCAL RESIDENTS; AND**

17 **2. THE USE OF INTERNSHIPS, APPRENTICESHIPS, AND**
18 **TRAINING PROGRAMS IN CONSTRUCTION AND COAL COMBUSTION BY-PRODUCT**
19 **REUSE; AND**

20 **(3) DEMONSTRATE MEASURABLE GREENHOUSE GAS EMISSIONS**
21 **REDUCTION BENEFITS THROUGH THE USE OF THE STATE-SOURCED FEEDSTOCK**
22 **COMPARED WITH CONVENTIONAL FEEDSTOCK.**

23 **(F) NOTWITHSTANDING § 2-1205(G) OF THIS ARTICLE, AN ELIGIBLE**
24 **MANUFACTURER OF CEMENT, CONCRETE, OR CONSTRUCTION MATERIALS MAY BE**
25 **ELIGIBLE FOR GREENHOUSE GAS EMISSIONS RELIEF OR CREDIT RECOGNITION FOR**
26 **EMISSIONS LEVELS BELOW LEVELS FOR THAT MANUFACTURER IN 2023.**

27 **(G) (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT**
28 **THIS SECTION.**

29 **(2) REGULATIONS ADOPTED UNDER THIS SUBSECTION SHALL:**

1 **(I) INCLUDE THE METHOD BY WHICH A GRANT AMOUNT IS**
2 **DETERMINED BASED ON THE TONNAGE OF STATE-SOURCED COAL COMBUSTION**
3 **BY-PRODUCTS USED BY AN ELIGIBLE MANUFACTURER ABOVE A THRESHOLD**
4 **DETERMINED BY THE DEPARTMENT;**

5 **(II) ESTABLISH CRITERIA FOR STATE-SOURCED COAL**
6 **COMBUSTION BY-PRODUCTS THAT:**

7 **1. INCLUDE ENVIRONMENTAL REVIEW OF SOURCES AND**
8 **METHODS OF TRANSPORT IN ORDER TO ENSURE NO INCREASE IN RISK TO**
9 **GROUNDWATER OR AIR EMISSIONS;**

10 **2. ENSURE THAT REUSED COAL COMBUSTION**
11 **BY-PRODUCTS MEET ENVIRONMENTAL SAFETY STANDARDS WITH RESPECT TO:**

12 **A. LEACHING;**

13 **B. QUALITY OF REUSE; AND**

14 **C. TRACEABILITY; AND**

15 **3. ACCOUNT FOR THE MONITORING AND REPORTING OF**
16 **APPLICABLE CONTAMINANTS IN THE REUSE OF COAL COMBUSTION BY-PRODUCTS.**

17 **(H) (1) ON OR BEFORE OCTOBER 1, 2027, AND EACH OCTOBER 1**
18 **THEREAFTER, ELIGIBLE MANUFACTURERS THAT RECEIVED A GRANT UNDER THE**
19 **GRANT PROGRAM SHALL REPORT TO THE DEPARTMENT ON:**

20 **(I) TONNAGE OF COAL COMBUSTION BY-PRODUCTS USED;**

21 **(II) JOBS CREATED AND LOCATIONS OF THE JOBS, WITH**
22 **EMPHASIS ON THE CREATION OF JOBS IN COMMUNITIES IMPACTED BY THE**
23 **GENERATION OF COAL COMBUSTION BY-PRODUCTS; AND**

24 **(III) REDUCTIONS ACHIEVED WITH RESPECT TO GREENHOUSE**
25 **GAS EMISSIONS.**

26 **(2) ON OR BEFORE DECEMBER 1, 2027, AND EACH DECEMBER 1**
27 **THEREAFTER, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN**
28 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL**
29 **ASSEMBLY THE FOLLOWING INFORMATION:**

30 **(I) WITH RESPECT TO THE GRANT PROGRAM:**

- 1 1. TONNAGE OF STATE-SOURCED COAL COMBUSTION
2 BY-PRODUCTS USED;
- 3 2. GREENHOUSE GAS EMISSIONS REDUCTIONS
4 ACHIEVED;
- 5 3. JOBS CREATED, DISAGGREGATED BY COMMUNITIES
6 IMPACTED BY THE GENERATION OF COAL COMBUSTION BY-PRODUCTS;
- 7 4. THE NUMBER OF GRANTS AWARDED; AND
- 8 5. ANY ENVIRONMENTAL OR PUBLIC HEALTH
9 INCIDENTS REPORTED WITH RESPECT TO THE REUSE OF COAL COMBUSTION
10 BY-PRODUCTS; AND

11 (II) THE NUMBER OF ELIGIBLE PROJECTS GIVEN PREFERENCE
12 IN ACCORDANCE WITH § 14-419 OF THE STATE FINANCE AND PROCUREMENT
13 ARTICLE.

14 (3) ON OR BEFORE DECEMBER 1, 2031, THE DEPARTMENT SHALL
15 REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE
16 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY:

17 (I) AN EVALUATION OF THE GRANT PROGRAM, INCLUDING
18 TOTAL JOBS CREATED AND ENVIRONMENTAL OUTCOMES; AND

19 (II) RECOMMENDED ADJUSTMENTS TO THE GRANT PROGRAM.

20 Article – State Finance and Procurement

21 14-419.

22 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
23 INDICATED.

24 (2) “COAL COMBUSTION BY-PRODUCT” HAS THE MEANING STATED IN
25 § 9-289 OF THE ENVIRONMENT ARTICLE.

26 (3) “ELIGIBLE PROJECT” MEANS A PROJECT THAT RECEIVES
27 GREATER THAN 50% OF ITS PROJECT COSTS FROM THE STATE.

1 **(B) TO THE EXTENT PRACTICABLE AND FOR ELIGIBLE PROJECTS, EACH**
2 **UNIT OF THE STATE GOVERNMENT SHALL GIVE PREFERENCE TO BIDS THAT:**

3 **(1) USE CERTIFIED STATE-SOURCED COAL COMBUSTION**
4 **BY-PRODUCTS TO PRODUCE CEMENT, CONCRETE, OR CONSTRUCTION MATERIALS**
5 **IN ACCORDANCE WITH § 9-292 OF THE ENVIRONMENT ARTICLE; AND**

6 **(2) DEMONSTRATE A QUANTIFIED REDUCTION IN EMBODIED**
7 **GREENHOUSE GAS EMISSIONS BELOW A BASELINE CEMENT MIX, EVIDENCED BY AN**
8 **ENVIRONMENTAL PRODUCT DECLARATION OR LIFE-CYCLE ASSESSMENT.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General
10 Assembly that Section 1 of this Act be interpreted consistent with Chapters 201 and 202 of
11 the Acts of the General Assembly of 2023.

12 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2026.