

**SB 432**

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

## **FISCAL AND POLICY NOTE**

### **First Reader**

Senate Bill 432 (Senator Love)

(Senator Love)

## Judicial Proceedings and Education, Energy, and the Environment

## Attorney General Actions and Climate Crimes Accountability Fund (Climate Crimes Accountability Act)

This bill expresses that, for the protection of the health and safety of the State's citizens and environment, it is the General Assembly's intent that a publicly traded entity, including its subsidiaries, with a cumulative market capitalization greater than \$1.0 billion that is or was involved in extracting, refining, or processing coal, oil, or gas be held accountable for any tortious or otherwise unlawful conduct on the part of the entity or subsidiary that has contributed to climate change, as specified. To that end, the bill explicitly authorizes the Attorney General to investigate, commence, and prosecute or defend any civil or criminal suit or action that holds these entities accountable, and to hire outside counsel for assistance. Specified procedural requirements and options for the State in obtaining relief in certain actions involving multiple parties brought or asserted by the State apply to actions brought under the bill. The bill also establishes the Climate Crimes Accountability Fund (CCAF) to pay for programs that prevent, mitigate, or repair harms caused by climate change. **The bill takes effect June 1, 2026.**

## Fiscal Summary

**State Effect:** No assumed effect in FY 2026. To the extent significant investigation and litigation are undertaken pursuant to the bill's authority, State expenditures increase, potentially significantly, perhaps beginning as early as FY 2027. Special fund revenues for the new fund *may* increase, likely no earlier than FY 2028; special fund expenditures increase correspondingly. Special fund revenues and expenditures for multiple State agencies *may* increase, likely no earlier than FY 2028, to the extent they are the recipients of any funding. General fund revenues may increase from interest earnings in FY 2028 only, to the extent any special fund revenues are attained.

**Local Effect:** To the extent that local governments are the recipients of funding under the bill, local revenues and expenditures increase, likely no earlier than FY 2028.

**Small Business Effect:** Potential meaningful.

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## Analysis

**Bill Summary:** The bill explicitly authorizes the Attorney General to investigate, commence, and prosecute or defend any civil or criminal suit or action that holds accountable a publicly traded entity, including its subsidiaries, with a cumulative market capitalization greater than \$1.0 billion at the time a suit or an action is filed that is or was involved in extracting, refining, or processing coal, oil, or gas for any tortious or otherwise unlawful conduct on the part of the entity or subsidiary that has contributed to climate change through fraud, deception, or any other mechanism, action, inaction, or practice. The Attorney General is authorized to hire outside counsel to assist with an action brought under the bill if the Attorney General determines that it would be in the State's best interest.

The bill also extends the provisions of § 6-106.2 of the State Government Article – which currently apply only to certain actions related to the collapse of the Francis Scott Key Bridge – to actions brought under the bill.

### *Climate Crimes Accountability Fund*

The bill establishes CCAF, a special fund administered by the Maryland Department of Emergency Management (MDEM). The stated purpose of the fund is to pay for programs that prevent, mitigate, or repair harms caused by climate change. The fund consists of (1) all revenues received by the State resulting either directly or indirectly from any judgment against or settlement with an entity in an action brought under the authorizations under the bill; (2) interest earnings; and (3) any other money from any other source accepted for the benefit of the fund.

The fund may only be used to (1) pay for programs that prevent, mitigate, or repair harms caused by climate change, as specified; (2) pay expenses related any to action brought by the Attorney General under the bill, including investigation, litigation, and trial preparation expenses; and (3) pay for administrative expenses related to the distribution of funds to related programs. Money expended from the fund for programs to prevent, mitigate, or repair harms caused by climate change is supplemental to and is not intended to take the place of funding that otherwise would be appropriated for the programs.

## **Current Law:**

### *Maryland's Attorney General and Enforcement of the Environment Article*

The Attorney General is an elected official who serves a four-year term of office. Pursuant to the State Constitution, the Attorney General has enumerated responsibilities, including investigating, commencing, and prosecuting or defending any civil or criminal suit or action, as specified, which the General Assembly, by law or joint resolution, or the Governor, directs to be investigated, commenced, and prosecuted or defended. The Attorney General does not, however, have general authority to prosecute crimes in the absence of specific statutory authority or an executive order. The Attorney General also has and must perform any other duties and possess any other powers as the General Assembly prescribes by law. For example, the Attorney General is specifically authorized under § 6-106.1 of the State Government Article to investigate, commence, and prosecute or defend any civil or criminal suit or action that is based on the federal government's action or inaction that threatens the public interest and welfare of the residents of the State with respect to protecting the natural resources and environment of the State.

The Secretary of the Environment must carry out and enforce the provisions of the Environment Article of the *Annotated Code of Maryland* (to which the bill's provisions regarding the authority of the Attorney General are added). The Attorney General is the legal adviser of and must represent and otherwise perform all of the legal work for each officer and unit of the State government, unless a law expressly provides for a general counsel as the legal adviser and representative of the officer or unit.

### *Maryland Department of Emergency Management*

MDEM is responsible for coordinating the State response in any major emergency or disaster. This includes supporting local governments as needed or requested and coordinating assistance with the Federal Emergency Management Agency and other federal partners. MDEM manages many of the federal grants that fund a broad range of initiatives leading to enhanced protection from and responses to the full range of natural and man-made disasters that could threaten the State's citizens.

### *Section 6-106.2 of the State Government Article*

In general, under the doctrine of joint and several liability, if two or more defendants are found liable for a single and indivisible harm to the plaintiff, each defendant is liable to the plaintiff for the entire harm. The plaintiff has the choice of collecting the entire judgment from one defendant or portions of the judgment from various defendants, so long as the plaintiff does not recover more than the amount of the judgment. Liability among joint tort-feasors is governed by the Maryland Uniform Contribution Among Joint Tort-Feasors

Act (MUCATA), which is contained in Title 3, Subtitle 14 of the Courts and Judicial Proceedings Article. “Joint tort-feasors” means two or more persons jointly or severally liable in tort for the same injury to person or property whether or not judgment has been recovered against all or some of them. Liability among joint-tort-feasors under MUCATA is determined on a *pro rata* basis, which is “equal shares that are determined by dividing the common liability by the number of joint tort-feasors.” *Mercy Med. Ctr. v. Julian*, 429 Md. 348, 357 (2012) (internal citations omitted).

Chapter 137 of 2024 established § 6-106.2 of the State Government Article, which set forth specific procedural requirements and options for the State in obtaining relief in actions involving multiple parties brought or asserted by the State based on the collapse of the Francis Scott Key Bridge.

In such actions, the judge or jury must (1) make a determination of the total liability, including damages, costs, and any other available relief; (2) assign comparative responsibility to each party joined in the action, including all defendants, third-party defendants, intervenors, and any other named party, based on the party’s relative degree of fault or responsibility for the total liability; and (3) if equity requires, determine the liability of a group of related persons on a collective basis.

If the State has not obtained complete relief from a responsible person who has resolved the person’s liability to the State in a settlement of an action governed by § 6-106.2, the State may (1) continue to pursue an action against any other responsible person who has not resolved the person’s liability to the State or (2) bring a new action against any other responsible person who has not resolved the person’s liability to the State.

MUCATA is not applicable under § 6-106.2 actions. Instead, if a responsible person resolves the person’s liability to the State in a settlement of an action governed by its provisions, the person may not be liable for claims for noncontractual contribution or indemnity regarding any action or claim resolved in the settlement. A settlement of an action governed by § 6-106.2 that resolves the liability of a responsible person does not release from liability any other responsible person except as specifically provided in the terms of the settlement. However, it does reduce the potential liability of all other responsible persons liable in whole or in part by the larger of the settling person’s proportionate share of liability or the amount the settling person pays to settle the action.

**State/Local Fiscal Effect:** The various potential fiscal impacts are generally dependent on (1) the extent to which the Office of the Attorney General (OAG) uses its authority under the bill to pursue actions related to climate change; (2) the timing of any actions; and (3) whether any actions result in judgments or settlement awards for the State (and the corresponding amounts). Although a reliable estimate of the fiscal impact of the bill cannot be made beforehand, additional information regarding various impacts is included below.

### *Administrative Costs*

*Office of the Attorney General:* OAG advises that administrative costs to implement the bill are approximately \$560,800 in fiscal 2027, and at least \$626,900 annually thereafter, which reflects the need to hire two assistant Attorneys General, one investigator, and a financial analyst to handle the increased workload under the bill.

The Department of Legislative Services (DLS) generally concurs that to the extent that OAG robustly pursues accountability for tortious and otherwise unlawful conduct that has contributed to climate change, as authorized under the bill, OAG incurs potentially significant expenditures. However, without actual experience under the bill and additional information regarding how OAG derived its assessment – including if OAG’s anticipation of hiring permanent staff mitigates any additional need to hire outside counsel, as authorized by the bill – a reliable estimate of the increase in staffing costs and a timeline under which staff may be needed cannot be determined at this time. Even so, DLS anticipates that OAG expenditures may increase significantly, potentially beginning as early as fiscal 2027, as any investigations and legal proceedings are initiated and pursued.

While general funds are assumed to be needed to support any OAG costs, at least initially, *if* any judgements or settlement awards are eventually realized, because OAG’s investigation, litigation, and trial preparation expenses are an authorized use of CCAF, the need for general fund expenditures may be mitigated in future years.

Based on the assumption that OAG incurs expenditures, as referenced above, there is no anticipated material impact on the workload of legal staff within the Maryland Department of the Environment.

*Maryland Department of Emergency Management:* MDEM notes the department lacks the resources to administer CCAF and that it needs to hire, at a minimum, a program manager and an administrator to administer the fund. However, MDEM also acknowledges that the timing and magnitude of the availability of any funding is unknown. MDEM estimates minimum costs to administer the fund are approximately \$196,400 in fiscal 2027 and at least \$232,500 annually thereafter.

DLS advises that since this analysis assumes that CCAF’s primary source of revenues is derived from any settlements/awards, the magnitude of any funding requiring distribution (and associated administrative costs) is likely to vary considerably in any given year. Accordingly, a reliable estimate of MDEM’s overall staffing needs (and associated costs) cannot be made at this time. However, it is assumed that MDEM does not incur fund-related costs until such point that any judgements or settlement awards are eventually realized (likely not until fiscal 2028 *at the earliest*) and that at that point, because administrative expenses are an authorized purpose of the fund, CCAF funding is used to cover MDEM’s staffing costs.

### *Climate Change Accountability Fund*

*In General:* Special fund revenues to CCAF increase to the extent that revenues are collected from judgments or settlements reached as a result of the explicit authorization for OAG to initiate investigations and litigation that would not have otherwise been undertaken absent the bill. Although the magnitude and timing of any increase cannot be reliably estimated in advance, DLS anticipates that given the complexity of litigation potentially initiated under the bill, any potential revenues are likely not realized until fiscal 2028 *at the earliest*. Special fund expenditures from the fund are assumed to increase correspondingly in any year that funding is available.

*State Agencies and Local Governments as Funding Recipients:* To the extent that State agencies and local governments are eligible and receive funding for programs that prevent, mitigate, or repair harms caused by climate change, State and local revenues and corresponding expenditures may increase. However, as discussed above, any potential funding is likely not available until fiscal 2028 *at the earliest*, and the magnitude of any such funding cannot be reliably estimated in advance.

### *Additional Impacts*

*Interest Earnings:* Although the bill indicates that interest earnings of the new special fund remain in the fund, the bill does not amend Section 8 of Chapter 717 of 2024 (the Budget Reconciliation and Financing Act of 2024) which requires, notwithstanding any other provision of law, that interest earnings from special funds (with certain exceptions) accrue to the general fund from fiscal 2024 through 2028. Thus, to the extent that any special fund revenues are attained through judgments/settlements, general fund revenues increase from interest earnings of the new special fund (likely only in fiscal 2028, if at all). The fund is exempted from a similar requirement under § 6-226(a)(2) of the State Finance and Procurement Article that applies from fiscal 2029 forward.

*Judiciary:* Although the bill may result in additional case filings, it is not anticipated to materially impact the Judiciary.

**Small Business Effect:** Small businesses may be affected to the extent that they are eligible and receive funding from CCAF, should any revenues be attained. If the Attorney General hires a law firm that qualifies as a small business to provide outside counsel (as authorized by the bill), the bill may have a meaningful effect.

**Additional Comments:** MDE's Climate Change Program has numerous reports available on its [website](#) that address the impacts of climate change in Maryland and contain the State's plan to address those impacts.

## **Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 340 of 2025.

**Designated Cross File:** HB 572 (Delegate Ruth, *et al.*) - Judiciary.

**Information Source(s):** Anne Arundel, Baltimore, Cecil, Frederick, and Somerset counties; Maryland Department of Emergency Management; City of Havre de Grace; Office of the Attorney General; Judiciary (Administrative Office of the Courts); Maryland Department of the Environment; Department of Legislative Services

**Fiscal Note History:** First Reader - February 8, 2026  
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