

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 663 (Delegate Rosenberg)
Environment and Transportation

Department of the Environment - Federal Policy on Greenhouse Gas Emissions -
Reporting

This bill requires the Maryland Department of the Environment (MDE) to report to the General Assembly, by July 1, 2026, and every six months thereafter, on any legally valid changes in federal policy on greenhouse gas (GHG) emissions, as specified, and any steps the State is taking to respond to such changes. The initial report must describe federal policy changes on GHG emissions that have occurred since January 1, 2024, and subsequent reports must describe federal policy changes that have occurred during the immediately preceding six-month period. **The bill takes effect June 1, 2026, and terminates May 31, 2029.**

Fiscal Summary

State Effect: MDE can fulfill the bill's reporting requirements with existing budgeted resources. State revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: MDE must report on any changes in federal policy on GHG emissions that have been deemed legally valid by a final decision of a federal court, including any change that (1) rescinds a finding that GHG emissions from new motor vehicles and engines cause air pollution that may endanger public health or welfare; (2) repeals GHG emissions standards for motor vehicles and engines; or (3) repeals GHG emissions

standards for stationary sources. If there has been a change in federal policy on GHG emissions that is required to be reported under the bill, MDE must also report the steps the State is taking in response to the change.

Current Law:

Federal Clean Air Act and State Implementation

The federal Clean Air Act (CAA) regulates air emissions from stationary and mobile sources and authorizes the U.S. Environmental Protection Agency (EPA) to establish National Ambient Air Quality Standards to limit levels of “criteria pollutants” to protect public health and public welfare and to regulate emissions of hazardous pollutants. MDE’s Air and Radiation Administration operates the State’s air pollution control programs. Among other things, the administration monitors ambient air pollution levels, develops plans to maintain air quality standards, develops and enforces regulations to control air emissions, and provides technical assistance to businesses attempting to comply with CAA requirements. The administration also publishes annual Clean Air Progress Reports.

Vehicle Certification under the Federal Clean Air Act and Maryland Adoption of California Regulations

CAA generally preempts state governments from adopting their own air pollutant emissions standards for new motor vehicles and new motor vehicle engines. However, under CAA Section 209, California is authorized to apply to EPA for a waiver from the federal preemption, and EPA is to grant this waiver absent certain disqualifying conditions. As of 2025, California has used this authority to receive more than 100 federal preemption waivers for new and amended state-level vehicle emissions standards.

Pursuant to CAA, vehicles sold in the United States must be certified under one of two certification programs: (1) the federal program (Tier 2); or (2) the California program (the Clean Car Program). Section 177 of the CAA Amendments of 1990 provides states the ability to adopt the California program in lieu of the federal program as long as the adopted state program is identical to the California program and the state allows two model years lead time from adoption to implementation.

Maryland Clean Cars Act of 2007: The Maryland Clean Cars Act of 2007 (Chapters 111 and 112) requires MDE to adopt regulations implementing the California Clean Car Program (also referred to as the California Low Emissions Vehicle Program, or CAL LEV) in Maryland. Maryland’s implementing regulations adopted, through incorporation by reference in COMAR 26.11.34.02, the applicable California regulations. The CAL LEV Program is a dynamic, changing program in which many of the relevant California regulations are continuously updated. To retain California’s standards, Maryland must remain consistent with its regulations, which means when California updates its regulations, Maryland must reflect those changes by amending State regulations.

The most recent California regulations adopted pursuant to the requirements of the Maryland Clean Cars Act of 2007 were California's Advanced Clean Cars II (ACC II) regulations (effective September 18, 2023). Maryland's implementation of the ACC II Program is scheduled to begin with the 2027 model year.

Maryland Clean Trucks Act of 2023: The Clean Trucks Act of 2023 (Chapters 96 and 97) required MDE, by December 1, 2023, to adopt regulations that, among other things (1) establish requirements for the sale of new zero-emission medium- and heavy-duty vehicles in the State; (2) incorporate by reference the California Air Resources Board's Advanced Clean Trucks (ACT) regulations, as revised and updated; and (3) take effect starting with model year 2027 (unless delayed by MDE, as authorized under specified conditions). MDE adopted the required regulations, which went into effect in December 2023.

Congressional Review Act and Federal Joint Resolutions Withdrawing California Waiver Authority for Certain Regulations: In April 2025, Congressional Review Act resolutions were introduced disapproving EPA's decisions to grant waivers for several CAL LEV regulations. The resolutions affected EPA waiver approval for both ACC II and ACT regulations, which, as mentioned above, have been incorporated by reference into Maryland regulations. These joint resolutions were adopted and signed into law by President Trump in June 2025. There is current litigation challenging the EPA withdrawal of approval for the waiver for these regulations.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Department of the Environment; U.S. Environmental Protection Agency; U.S. Congressional Research Service; Department of Legislative Services

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sj/lgc

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