

# SENATE BILL 958

M3, J5  
SB 843/23 – EEE & FIN

4lr1677  
CF 4lr1676

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By: **Senators Hester, Brooks, Gile, Muse, Elfreth, Waldstreicher, Watson, M. Washington, Lewis Young, Kagan, Ellis, Benson, Kramer, Lam, Hettleman, and Rosapepe**

Introduced and read first time: February 2, 2024

Assigned to: Education, Energy, and the Environment and Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Responding to Emergency Needs From Extreme Weather (RENEW) Act of 2024**

3 FOR the purpose of establishing the Climate Change Adaptation and Mitigation Payment  
4 Program in the Department of the Environment to secure payments from certain  
5 businesses that extract fossil fuels or refine petroleum products in order to provide  
6 a source of revenue for State efforts to adapt to or mitigate the effects of climate  
7 change and to address the health impacts of climate change on vulnerable  
8 populations; establishing the Climate Change Adaptation and Mitigation Fund as a  
9 special, nonlapsing fund; authorizing the Legislative Auditor to conduct certain  
10 audits of the Fund and of the appropriations and expenditures made for the purposes  
11 of the Climate Change Adaptation and Mitigation Payment Program; and generally  
12 relating to the Climate Change Adaptation and Mitigation Payment Program.

13 BY repealing and reenacting, without amendments,  
14 Article – Environment  
15 Section 2–1504(a)  
16 Annotated Code of Maryland  
17 (2013 Replacement Volume and 2023 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article – Environment  
20 Section 2–1504(e)  
21 Annotated Code of Maryland  
22 (2013 Replacement Volume and 2023 Supplement)

23 BY adding to  
24 Article – Environment  
25 Section 2–1701 through 2–1707 to be under the new subtitle “Subtitle 17. Climate  
26 Change Adaptation and Mitigation Payment Program”

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 Annotated Code of Maryland  
2 (2013 Replacement Volume and 2023 Supplement)
- 3 BY repealing and reenacting, without amendments,  
4 Article – Public Safety  
5 Section 14–110.4(b) and 14–110.5(b)  
6 Annotated Code of Maryland  
7 (2022 Replacement Volume and 2023 Supplement)
- 8 BY repealing and reenacting, with amendments,  
9 Article – Public Safety  
10 Section 14–110.4(h) and 14–110.5(f)  
11 Annotated Code of Maryland  
12 (2022 Replacement Volume and 2023 Supplement)
- 13 BY repealing and reenacting, without amendments,  
14 Article – State Government  
15 Section 9–2012(b) and (i)(1)  
16 Annotated Code of Maryland  
17 (2021 Replacement Volume and 2023 Supplement)  
18 (As enacted by Chapter 246 of the Acts of the General Assembly of 2022)
- 19 BY repealing and reenacting, with amendments,  
20 Article – State Government  
21 Section 9–2012(i)(4)  
22 Annotated Code of Maryland  
23 (2021 Replacement Volume and 2023 Supplement)  
24 (As enacted by Chapter 246 of the Acts of the General Assembly of 2022)
- 25 BY repealing and reenacting, without amendments,  
26 Article – State Government  
27 Section 9–2015(b) and 9–20B–05(a)  
28 Annotated Code of Maryland  
29 (2021 Replacement Volume and 2023 Supplement)
- 30 BY repealing and reenacting, with amendments,  
31 Article – State Government  
32 Section 9–2015(f) and 9–20B–05(e)  
33 Annotated Code of Maryland  
34 (2021 Replacement Volume and 2023 Supplement)
- 35 BY adding to  
36 Article – State Government  
37 Section 9–20B–05(i–2)  
38 Annotated Code of Maryland  
39 (2021 Replacement Volume and 2023 Supplement)

1 BY repealing and reenacting, without amendments,  
2 Article – Transportation  
3 Section 7–1202(a) and 7–1203(a)  
4 Annotated Code of Maryland  
5 (2020 Replacement Volume and 2023 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article – Transportation  
8 Section 7–1203(c)  
9 Annotated Code of Maryland  
10 (2020 Replacement Volume and 2023 Supplement)

11 Preamble

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

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

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

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

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

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

31 **Article – Environment**

32 2–1504.

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

34 (e) The Fund consists of:

- 1 (1) Money appropriated in the State budget to the Fund;
- 2 (2) Interest earnings of the Fund;
- 3 (3) Donations;
- 4 (4) Money derived from legal settlements earmarked for the purpose of  
5 transitioning to school buses that are zero-emission vehicles; [and]
- 6 (5) **MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION  
7 AND MITIGATION FUND IN ACCORDANCE WITH § 2-1704 OF THIS TITLE; AND**
- 8 (6) Any other money from any other source accepted for the benefit of the  
9 Fund.

10 **SUBTITLE 17. CLIMATE CHANGE ADAPTATION AND MITIGATION PAYMENT**  
11 **PROGRAM.**

12 **2-1701.**

13 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
14 INDICATED.

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

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

20 (I) CONSTRUCT SEAWALLS OR OTHER COASTAL DEFENSE  
21 STRUCTURES;

22 (II) UPGRADE STORMWATER OR SEWER SYSTEMS;

23 (III) MAKE DEFENSIVE UPGRADES TO ROADS, BRIDGES, RAIL  
24 INFRASTRUCTURE, OR OTHER TRANSIT SYSTEMS;

25 (IV) PREPARE FOR AND RECOVER FROM HURRICANES AND  
26 OTHER EXTREME WEATHER EVENTS;

27 (V) RELOCATE, ELEVATE, OR RETROFIT WASTEWATER  
28 TREATMENT PLANTS THAT ARE VULNERABLE TO FLOODING;

1           (VI) INSTALL HEAT PUMPS AND OTHER CLEAN ENERGY  
2 RETROFITS IN PUBLIC AND PRIVATE BUILDINGS, INCLUDING SCHOOL BUILDINGS;  
3 AND

4           (VII) RESPOND TO TOXIC ALGAE BLOOMS, THE LOSS OF  
5 AGRICULTURAL TOPSOIL, AND OTHER CLIMATE-DRIVEN ECOSYSTEM THREATS TO  
6 FORESTS, FARMS, AND FISHERIES.

7           (C) “COAL” INCLUDES:

8               (1) BITUMINOUS COAL;

9               (2) ANTHRACITE COAL; AND

10              (3) LIGNITE.

11           (D) “COMMUNITY DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS”  
12 MEANS A COMMUNITY IDENTIFIED IN ACCORDANCE WITH § 1-702 OF THIS ARTICLE.

13           (E) “CONTROLLED GROUP” MEANS TWO OR MORE ENTITIES TREATED AS A  
14 SINGLE EMPLOYER UNDER:

15               (1) § 52(A) OR (B) OF THE INTERNAL REVENUE CODE, WITHOUT  
16 REGARD TO § 1563(B)(2)(C) OF THE INTERNAL REVENUE CODE; OR

17               (2) § 414(M) OR (O) OF THE INTERNAL REVENUE CODE.

18           (F) “COST RECOVERY DEMAND” MEANS A CHARGE ASSERTED AGAINST A  
19 RESPONSIBLE PARTY FOR COST RECOVERY PAYMENTS UNDER THE PROGRAM.

20           (G) “COVERED GREENHOUSE GAS EMISSIONS” MEANS THE TOTAL  
21 QUANTITY OF GREENHOUSE GASES RELEASED INTO THE ATMOSPHERE DURING THE  
22 COVERED PERIOD, EXPRESSED IN METRIC TONS OF CARBON DIOXIDE EQUIVALENT,  
23 RESULTING FROM THE USE OF FOSSIL FUELS OR PETROLEUM PRODUCTS  
24 EXTRACTED, PRODUCED, REFINED, OR SOLD BY AN ENTITY.

25           (H) “COVERED PERIOD” MEANS JANUARY 1, 2000, THROUGH DECEMBER  
26 31, 2020, BOTH INCLUSIVE.

27           (I) (1) “CRUDE OIL” MEANS OIL OR PETROLEUM OF ANY KIND AND IN  
28 ANY FORM.

29               (2) “CRUDE OIL” INCLUDES:

- 1           **(I) BITUMEN;**  
2           **(II) OIL SANDS;**  
3           **(III) HEAVY OIL;**  
4           **(IV) CONVENTIONAL AND UNCONVENTIONAL OIL;**  
5           **(V) SHALE OIL;**  
6           **(VI) NATURAL GAS LIQUIDS;**  
7           **(VII) CONDENSATES; AND**  
8           **(VIII) RELATED FOSSIL FUELS.**

9           **(J) “ENTITY” MEANS ANY INDIVIDUAL, TRUSTEE, AGENT, PARTNERSHIP,**  
10 **ASSOCIATION, CORPORATION, COMPANY, MUNICIPAL CORPORATION, POLITICAL**  
11 **SUBDIVISION, OR OTHER PERSON, INCLUDING A FOREIGN NATION, THAT HOLDS OR**  
12 **HELD AN OWNERSHIP INTEREST IN A FOSSIL FUEL BUSINESS DURING THE COVERED**  
13 **PERIOD.**

14           **(K) “FOSSIL FUEL” MEANS COAL, PETROLEUM PRODUCTS, AND FUEL**  
15 **GASES.**

16           **(L) “FOSSIL FUEL BUSINESS” MEANS A BUSINESS ENGAGING IN THE**  
17 **EXTRACTION OF FOSSIL FUELS OR THE REFINING OF PETROLEUM PRODUCTS.**

18           **(M) “FUEL GAS” INCLUDES:**

- 19           **(1) METHANE;**  
20           **(2) NATURAL GAS;**  
21           **(3) LIQUEFIED NATURAL GAS; AND**  
22           **(4) MANUFACTURED FUEL GASES.**

23           **(N) “FUND” MEANS THE CLIMATE CHANGE ADAPTATION AND MITIGATION**  
24 **FUND ESTABLISHED UNDER § 2-1704 OF THIS SUBTITLE.**

1           (O)   “GREENHOUSE GAS” HAS THE MEANING STATED IN § 2-1202 OF THIS  
2 TITLE.

3           (P)   “NOTICE OF COST RECOVERY DEMAND” MEANS A WRITTEN  
4 COMMUNICATION INFORMING A RESPONSIBLE PARTY OF THE AMOUNT OF THE COST  
5 RECOVERY DEMAND PAYABLE TO THE DEPARTMENT UNDER THIS SUBTITLE.

6           (Q)   “PETROLEUM PRODUCT” MEANS ANY PRODUCT REFINED OR  
7 RE-REFINED FROM:

8                   (1)   SYNTHETIC OR CRUDE OIL; OR

9                   (2)   CRUDE OIL EXTRACTED FROM NATURAL GAS LIQUIDS OR OTHER  
10 SOURCES.

11           (R)   “PROGRAM” MEANS THE CLIMATE CHANGE ADAPTATION AND  
12 MITIGATION PAYMENT PROGRAM ESTABLISHED UNDER § 2-1702 OF THIS  
13 SUBTITLE.

14           (S)   (1)   “QUALIFYING EXPENDITURE” MEANS AN AUTHORIZED PAYMENT  
15 FROM THE FUND IN SUPPORT OF A CLIMATE CHANGE ADAPTIVE OR MITIGATION  
16 INFRASTRUCTURE PROJECT.

17                   (2)   “QUALIFYING EXPENDITURE” INCLUDES, TO THE EXTENT  
18 AUTHORIZED IN DEPARTMENT REGULATIONS, A PAYMENT TOWARD THE OPERATION  
19 AND MAINTENANCE OF A CLIMATE CHANGE ADAPTIVE OR MITIGATION  
20 INFRASTRUCTURE PROJECT.

21           (T)   (1)   “RESPONSIBLE PARTY” MEANS AN ENTITY, OR A SUCCESSOR IN  
22 INTEREST TO AN ENTITY, THAT:

23                   (I)   DURING ANY PART OF THE COVERED PERIOD, WAS  
24 ENGAGED IN THE TRADE OR BUSINESS OF EXTRACTING FOSSIL FUEL OR REFINING  
25 CRUDE OIL; AND

26                   (II)  IS DETERMINED BY THE DEPARTMENT TO BE RESPONSIBLE  
27 FOR MORE THAN 1,000,000,000 TONS OF COVERED GREENHOUSE GAS EMISSIONS.

28                   (2)   “RESPONSIBLE PARTY” DOES NOT INCLUDE ANY PERSON THAT  
29 LACKS SUFFICIENT CONNECTION WITH THE STATE TO SATISFY THE NEXUS  
30 REQUIREMENTS OF THE UNITED STATES CONSTITUTION.

31   **2-1702.**

1           **(A) THERE IS A CLIMATE CHANGE ADAPTATION AND MITIGATION**  
2 **PAYMENT PROGRAM IN THE DEPARTMENT.**

3           **(B) THE PURPOSE OF THE PROGRAM IS TO:**

4                   **(1) SECURE COMPENSATORY PAYMENTS FROM FOSSIL FUEL**  
5 **BUSINESSES BASED ON A STANDARD OF STRICT LIABILITY IN ORDER TO PROVIDE A**  
6 **SOURCE OF REVENUE FOR STATE EFFORTS TO:**

7                           **(I) ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE**  
8 **CHANGE, INCLUDING THROUGH THE IMPLEMENTATION OF CLIMATE CHANGE**  
9 **ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS; AND**

10                           **(II) ADDRESS THE HEALTH IMPACTS OF CLIMATE CHANGE ON**  
11 **VULNERABLE POPULATIONS;**

12                   **(2) DETERMINE THE PROPORTIONAL LIABILITY OF RESPONSIBLE**  
13 **PARTIES IN ACCORDANCE WITH § 2-1703 OF THIS SUBTITLE;**

14                   **(3) IMPOSE COST RECOVERY DEMANDS ON RESPONSIBLE PARTIES**  
15 **AND ISSUE NOTICES OF COST RECOVERY DEMANDS;**

16                   **(4) ACCEPT AND COLLECT COST RECOVERY PAYMENTS FROM**  
17 **RESPONSIBLE PARTIES;**

18                   **(5) IDENTIFY CLIMATE CHANGE ADAPTIVE OR MITIGATION**  
19 **INFRASTRUCTURE PROJECTS WITHIN THE STATE;**

20                   **(6) DISBURSE FUNDS IN ACCORDANCE WITH THIS SUBTITLE; AND**

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

25 **2-1703.**

26           **(A) (1) A RESPONSIBLE PARTY IS STRICTLY LIABLE, WITHOUT REGARD**  
27 **TO FAULT, FOR A SHARE OF THE COSTS OF CLIMATE CHANGE ADAPTIVE OR**  
28 **MITIGATION INFRASTRUCTURE PROJECTS, INCLUDING OPERATING AND**  
29 **MAINTENANCE COSTS, SUPPORTED BY THE FUND.**



1           **(2) FOR PURPOSES OF THIS SECTION, ENTITIES IN A CONTROLLED**  
2 **GROUP:**

3           **(I) SHALL BE TREATED BY THE DEPARTMENT AS A SINGLE**  
4 **ENTITY FOR THE PURPOSE OF IDENTIFYING RESPONSIBLE PARTIES; AND**

5           **(II) ARE JOINTLY AND SEVERALLY LIABLE FOR PAYMENT OF**  
6 **ANY COST RECOVERY DEMAND OWED BY ANY ENTITY IN THE CONTROLLED GROUP.**

7           **(B) WITH RESPECT TO EACH RESPONSIBLE PARTY, THE COST RECOVERY**  
8 **DEMAND SHALL BE EQUAL TO AN AMOUNT THAT BEARS THE SAME RATIO TO**  
9 **\$9,000,000,000 AS THE RESPONSIBLE PARTY'S APPLICABLE SHARE OF COVERED**  
10 **GREENHOUSE GAS EMISSIONS BEARS TO THE AGGREGATE APPLICABLE SHARES OF**  
11 **ALL RESPONSIBLE PARTIES' COVERED GREENHOUSE GAS EMISSIONS.**

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

16           **(2) IF A RESPONSIBLE PARTY OWNS A MINORITY INTEREST OF 10% OR**  
17 **MORE IN ANOTHER ENTITY, THE RESPONSIBLE PARTY'S APPLICABLE SHARE OF**  
18 **GREENHOUSE GAS EMISSIONS SHALL BE CALCULATED AS THE APPLICABLE SHARE**  
19 **OF GREENHOUSE GAS EMISSIONS FOR THE ENTITY IN WHICH THE RESPONSIBLE**  
20 **PARTY HOLDS A MINORITY INTEREST, AS CALCULATED UNDER PARAGRAPH (1) OF**  
21 **THIS SUBSECTION, MULTIPLIED BY THE PERCENTAGE OF THE MINORITY INTEREST**  
22 **HELD BY THE RESPONSIBLE PARTY.**

23           **(3) IN DETERMINING THE AMOUNT OF GREENHOUSE GAS EMISSIONS**  
24 **ATTRIBUTABLE TO AN ENTITY, THE DEPARTMENT SHALL ASSUME THAT:**

25           **(I) 942.5 METRIC TONS OF CARBON DIOXIDE EQUIVALENT IS**  
26 **RELEASED FOR EVERY 1,000,000 POUNDS OF COAL ATTRIBUTABLE TO THE ENTITY;**

27           **(II) 432,180 METRIC TONS OF CARBON DIOXIDE EQUIVALENT IS**  
28 **RELEASED FOR EVERY 1,000,000 BARRELS OF CRUDE OIL ATTRIBUTABLE TO THE**  
29 **ENTITY; AND**

30           **(III) 53,440 METRIC TONS OF CARBON DIOXIDE EQUIVALENT IS**  
31 **RELEASED FOR EVERY 1,000,000 CUBIC FEET OF FUEL GASES ATTRIBUTABLE TO**  
32 **THE ENTITY.**

1           **(D) THE DEPARTMENT MAY ADJUST THE COST RECOVERY DEMAND**  
2 **AMOUNT OF A RESPONSIBLE PARTY THAT REFINES PETROLEUM PRODUCTS OR THAT**  
3 **IS A SUCCESSOR IN INTEREST TO AN ENTITY THAT REFINES PETROLEUM PRODUCTS,**  
4 **IF THE RESPONSIBLE PARTY ESTABLISHES TO THE SATISFACTION OF THE**  
5 **DEPARTMENT THAT:**

6           **(1) A PORTION OF THE COST RECOVERY DEMAND AMOUNT WAS**  
7 **ATTRIBUTABLE TO THE REFINING OF CRUDE OIL EXTRACTED BY ANOTHER ENTITY;**  
8 **AND**

9           **(2) THE CRUDE OIL EXTRACTED BY THE OTHER ENTITY WAS**  
10 **ACCOUNTED FOR WHEN THE DEPARTMENT DETERMINED THE COST RECOVERY**  
11 **DEMAND AMOUNT FOR THE OTHER ENTITY OR A SUCCESSOR IN INTEREST OF THE**  
12 **OTHER ENTITY.**

13           **(E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A**  
14 **RESPONSIBLE PARTY SHALL PAY THE COST RECOVERY DEMAND AMOUNT IN FULL**  
15 **ON OR BEFORE OCTOBER 1, 2026.**

16           **(2) (I) A RESPONSIBLE PARTY MAY ELECT TO PAY THE COST**  
17 **RECOVERY DEMAND AMOUNT IN NINE ANNUAL INSTALLMENTS IN ACCORDANCE**  
18 **WITH THIS PARAGRAPH.**

19                   **(II) THE FIRST INSTALLMENT SHALL BE PAID ON OR BEFORE**  
20 **OCTOBER 1, 2026, AND SHALL BE EQUAL TO 20% OF THE TOTAL COST RECOVERY**  
21 **DEMAND AMOUNT.**

22                   **(III) EACH SUBSEQUENT INSTALLMENT SHALL BE PAID ON OR**  
23 **BEFORE SEPTEMBER 30 EACH SUBSEQUENT YEAR AND SHALL BE EQUAL TO 10% OF**  
24 **THE TOTAL COST RECOVERY DEMAND AMOUNT.**

25                   **(IV) 1. THE UNPAID BALANCE OF ALL REMAINING**  
26 **INSTALLMENTS SHALL BECOME DUE IMMEDIATELY IF:**

27                           **A. THE RESPONSIBLE PARTY FAILS TO PAY ANY**  
28 **INSTALLMENT IN A TIMELY MANNER, AS SPECIFIED IN DEPARTMENT REGULATIONS;**

29                           **B. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF**  
30 **THIS SUBPARAGRAPH, THERE IS A LIQUIDATION OR SALE OF SUBSTANTIALLY ALL**  
31 **THE ASSETS OF THE RESPONSIBLE PARTY, INCLUDING IN A BANKRUPTCY**  
32 **PROCEEDING; OR**

33                           **C. THE RESPONSIBLE PARTY CEASES TO DO BUSINESS.**

1                   **2. IN THE CASE OF A SALE OF SUBSTANTIALLY ALL THE**  
2 **ASSETS OF A RESPONSIBLE PARTY, THE REMAINING INSTALLMENTS SHALL NOT**  
3 **BECOME DUE IMMEDIATELY IF THE BUYER ENTERS INTO AN AGREEMENT WITH THE**  
4 **DEPARTMENT UNDER WHICH THE BUYER ASSUMES LIABILITY FOR THE REMAINING**  
5 **INSTALLMENTS DUE UNDER THIS SUBPARAGRAPH IN THE SAME MANNER AS IF THE**  
6 **BUYER WERE THE RESPONSIBLE PARTY.**

7           **(F) THE DEPARTMENT SHALL DEPOSIT COST RECOVERY PAYMENTS**  
8 **COLLECTED UNDER THIS SECTION TO THE CLIMATE CHANGE ADAPTATION AND**  
9 **MITIGATION FUND ESTABLISHED UNDER § 2-1704 OF THIS SUBTITLE.**

10           **(G) A RESPONSIBLE PARTY MAY REQUEST A HEARING UNDER TITLE 10,**  
11 **SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE (ADMINISTRATIVE PROCEDURE**  
12 **ACT – CONTESTED CASES) TO CONTEST A COST RECOVERY DEMAND MADE BY THE**  
13 **DEPARTMENT UNDER THIS SECTION.**

14           **(H) (1) THE REMEDIES PROVIDED IN THIS SECTION ARE IN ADDITION TO**  
15 **ANY OTHER REMEDY PROVIDED BY LAW.**

16           **(2) THIS SECTION MAY NOT BE INTERPRETED TO PREVENT A PERSON**  
17 **FROM PURSUING A CIVIL ACTION OR ANY OTHER REMEDY PROVIDED BY LAW.**

18 **2-1704.**

19           **(A) THERE IS A CLIMATE CHANGE ADAPTATION AND MITIGATION FUND.**

20           **(B) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING FOR STATE**  
21 **EFFORTS TO ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE CHANGE.**

22           **(C) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

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

25           **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**  
26 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

27           **(E) THE FUND CONSISTS OF:**

28           **(1) COST RECOVERY PAYMENTS DISTRIBUTED TO THE FUND UNDER**  
29 **§ 2-1703 OF THIS SUBTITLE;**

1           **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**  
2 **AND**

3           **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
4 **THE BENEFIT OF THE FUND.**

5           **(F) THE FUND MAY BE USED ONLY:**

6           **(1) TO PAY:**

7                   **(I) QUALIFIED EXPENDITURES FOR CLIMATE CHANGE**  
8 **ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS IDENTIFIED BY THE**  
9 **DEPARTMENT IN ACCORDANCE WITH REGULATIONS ADOPTED UNDER § 2-1706 OF**  
10 **THIS SUBTITLE; AND**

11                   **(II) REASONABLE ADMINISTRATIVE COSTS OF THE PROGRAM;**

12                   **(2) TO PROVIDE GRANTS TO LOCAL JURISDICTIONS IN ACCORDANCE**  
13 **WITH § 2-1705 OF THIS SUBTITLE;**

14                   **(3) FOR THE DEPARTMENT'S COMPREHENSIVE FLOOD**  
15 **MANAGEMENT GRANT PROGRAM UNDER § 5-803 OF THIS ARTICLE TO IMPLEMENT:**

16                           **(I) CAPITAL PROJECTS UNDERTAKEN AS PART OF**  
17 **COMPREHENSIVE FLOOD MANAGEMENT PLANS; AND**

18                           **(II) INFRASTRUCTURE REPAIRS, WATERSHED RESTORATION,**  
19 **AND EMERGENCY PROTECTION WORK ASSOCIATED WITH FLOOD EVENTS; AND**

20                   **(4) TO SUPPORT THE FOLLOWING:**

21                           **(I) THE STATE DISASTER RECOVERY FUND UNDER §**  
22 **14-110.5 OF THE PUBLIC SAFETY ARTICLE FOR DISASTER RECOVERY ASSISTANCE;**

23                           **(II) THE MARYLAND DEPARTMENT OF HEALTH'S OFFICE OF**  
24 **MINORITY HEALTH AND HEALTH DISPARITIES IN ADDRESSING THE HEALTH**  
25 **IMPACTS OF CLIMATE CHANGE ON MINORITY ADULTS, CHILDREN, AND INFANTS;**

26                           **(III) THE DEPARTMENT OF NATURAL RESOURCES IN**  
27 **MITIGATING THE DAMAGE FROM SEA LEVEL RISE THROUGH THE IMPLEMENTATION**  
28 **OF LIVING SHORELINE PROJECTS;**

1 (IV) THE DEPARTMENT OF NATURAL RESOURCES IN MANAGING  
2 FLOODING THROUGH THE IMPLEMENTATION OF STREAM RESTORATION AND  
3 NATURAL FILTRATION PROJECTS;

4 (V) THE DEPARTMENT OF NATURAL RESOURCES IN  
5 PROVIDING PLANNING GRANTS TO LOCAL GOVERNMENTS TO PREPARE FOR  
6 EXTREME FLOODING;

7 (VI) THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND  
8 UNDER § 9-20B-05 OF THE STATE GOVERNMENT ARTICLE FOR:

9 1. ENERGY EFFICIENCY PROGRAMS BENEFITING  
10 LOW-INCOME AND MODERATE-INCOME HOUSEHOLDS; AND

11 2. OTHER CLEAN ENERGY INVESTMENTS;

12 (VII) THE RESILIENCY HUB GRANT PROGRAM FUND UNDER §  
13 9-2015 OF THE STATE GOVERNMENT ARTICLE IN DEVELOPING RESILIENCY HUBS  
14 SERVING LOW-INCOME AND MODERATE-INCOME HOUSEHOLDS;

15 (VIII) THE MARYLAND DEPARTMENT OF EMERGENCY  
16 MANAGEMENT IN SUPPLEMENTING PRE-DISASTER MITIGATION FUNDING  
17 PROVIDED UNDER THE FEDERAL BUILDING RESILIENT INFRASTRUCTURE AND  
18 COMMUNITIES (BRIC) GRANT PROGRAM;

19 (IX) THE RESILIENT MARYLAND REVOLVING LOAN FUND  
20 UNDER § 14-110.4 OF THE PUBLIC SAFETY ARTICLE;

21 (X) THE CLIMATE CATALYTIC CAPITAL FUND UNDER § 10-855  
22 OF THE ECONOMIC DEVELOPMENT ARTICLE;

23 (XI) THE DEPARTMENT OF HOUSING AND COMMUNITY  
24 DEVELOPMENT IN PROVIDING GRANTS AND LOANS UNDER THE MARYLAND  
25 WHOLEHOME PROGRAM;

26 (XII) THE MARYLAND ENERGY ADMINISTRATION IN PROVIDING  
27 FINANCIAL ASSISTANCE TO LOW-INCOME AND MODERATE-INCOME HOUSEHOLDS  
28 TO TRANSITION THEIR HOMES OFF FOSSIL FUELS;

29 (XIII) THE ENERGY STORAGE SYSTEM GRANT FUND UNDER §  
30 9-2012 OF THE STATE GOVERNMENT ARTICLE;

1 (XIV) THE DEPARTMENT OF COMMERCE IN ATTRACTING  
2 CLEANTECH AND RENEWABLE ENERGY BUSINESSES TO THE STATE;

3 (XV) THE DEPARTMENT'S DAM SAFETY PROGRAM UNDER TITLE  
4 5, SUBTITLE 5 OF THIS ARTICLE;

5 (XVI) THE DEPARTMENT IN SUPPLEMENTING FUNDING FOR THE  
6 COMMISSION ON ENVIRONMENTAL JUSTICE AND SUSTAINABLE COMMUNITIES  
7 UNDER TITLE 1, SUBTITLE 7 OF THIS ARTICLE;

8 (XVII) THE DEPARTMENT OF TRANSPORTATION FOR THE  
9 STATEWIDE TRANSIT INNOVATION GRANT PROGRAM;

10 (XVIII) THE ZERO-EMISSION VEHICLE SCHOOL BUS  
11 TRANSITION FUND UNDER § 2-1504 OF THIS TITLE;

12 (XIX) THE MARYLAND ENERGY ADMINISTRATION FOR THE  
13 MEDIUM-DUTY AND HEAVY-DUTY ZERO-EMISSION VEHICLE GRANT PROGRAM  
14 UNDER § 9-2011 OF THE STATE GOVERNMENT ARTICLE;

15 (XX) THE MARYLAND ENERGY ADMINISTRATION FOR THE  
16 ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE PROGRAM UNDER § 9-2009  
17 OF THE STATE GOVERNMENT ARTICLE;

18 (XXI) THE DEPARTMENT OF TRANSPORTATION FOR THE KIM  
19 LAMPHIER BIKEWAYS NETWORK PROGRAM UNDER § 2-608 OF THE  
20 TRANSPORTATION ARTICLE;

21 (XXII) THE TRANSIT-ORIENTED DEVELOPMENT CAPITAL GRANT  
22 AND REVOLVING LOAN FUND UNDER TITLE 7, SUBTITLE 12 OF THE  
23 TRANSPORTATION ARTICLE;

24 (XXIII) THE DEPARTMENT IN HIRING ADDITIONAL STAFF IN  
25 THE DEPARTMENT TO WORK ON INITIATIVES TO PROTECT OVERBURDENED AND  
26 UNDERSERVED COMMUNITIES, AS DEFINED IN § 1-701 OF THIS ARTICLE, FROM THE  
27 EFFECTS OF CLIMATE CHANGE THROUGH IMPROVEMENTS TO PERMITTING  
28 PROCESSES, COMMUNITY OUTREACH EFFORTS, AND OTHER INITIATIVES;

29 (XXIV) THE DEPARTMENT IN HIRING ADDITIONAL STAFF TO  
30 SUPPORT THE DEPARTMENT'S CLIMATE CHANGE PROGRAM;

1           **(XXV) THE PUBLIC SERVICE COMMISSION IN HIRING ADDITIONAL**  
2 **STAFF TO SUPPORT IMPLEMENTATION OF THE EMPOWER MARYLAND PROGRAM;**  
3 **AND**

4           **(XXVI) THE MARYLAND DEPARTMENT OF EMERGENCY**  
5 **MANAGEMENT IN HIRING ENGINEERING STAFF FOR THE OFFICE OF RESILIENCY TO**  
6 **WORK ON FLOOD-RELATED ISSUES.**

7           **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
8 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

9           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
10 **THE GENERAL FUND OF THE STATE.**

11           **(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
12 **WITH THE STATE BUDGET.**

13 **2-1705.**

14           **(A) THE DEPARTMENT SHALL ESTABLISH AND ADMINISTER A GRANT**  
15 **PROGRAM FOR THE DISTRIBUTION OF FUNDS RECEIVED UNDER § 2-1704(F)(2) OF**  
16 **THIS SUBTITLE TO LOCAL JURISDICTIONS FOR THE PURPOSE OF ASSISTING LOCAL**  
17 **EFFORTS TO ADAPT TO AND MITIGATE THE EFFECTS OF CLIMATE CHANGE.**

18           **(B) THE DEPARTMENT SHALL ESTABLISH:**

19                   **(1) APPLICATION PROCEDURES FOR THE GRANT PROGRAM;**

20                   **(2) CRITERIA FOR PRIORITIZING APPLICATIONS UNDER THE GRANT**  
21 **PROGRAM;**

22                   **(3) PROCEDURES FOR AWARDING GRANTS UNDER THE GRANT**  
23 **PROGRAM; AND**

24                   **(4) ANY OTHER PROCEDURES OR CRITERIA NECESSARY TO CARRY**  
25 **OUT THIS SECTION.**

26 **2-1706.**

27           **(A) ON OR BEFORE OCTOBER 1, 2025, THE DEPARTMENT SHALL ADOPT**  
28 **REGULATIONS NECESSARY TO CARRY OUT THE PROGRAM.**

29           **(B) THE REGULATIONS SHALL INCLUDE:**

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

4           **(2) RULES RELATING TO:**

5                 **(I) REGISTERING ENTITIES DETERMINED TO BE RESPONSIBLE**  
6 **PARTIES UNDER THE PROGRAM;**

7                 **(II) ISSUING NOTICES OF COST RECOVERY DEMANDS, WHICH**  
8 **SHALL INCLUDE:**

9                         1.   **THE COST RECOVERY DEMAND AMOUNT;**

10                        2.   **THE TIME AND MANNER IN WHICH COST RECOVERY**  
11 **PAYMENTS MUST BE MADE;**

12                        3.   **THE CONSEQUENCES OF NONPAYMENT OR LATE**  
13 **PAYMENT; AND**

14                        4.   **INFORMATION REGARDING THE RIGHT TO REQUEST A**  
15 **CONTESTED CASE HEARING; AND**

16                        **(III) ACCEPTING PAYMENTS FROM, PURSUING COLLECTION**  
17 **EFFORTS AGAINST, AND NEGOTIATING SETTLEMENT AGREEMENTS WITH**  
18 **RESPONSIBLE PARTIES; AND**

19           **(3) SUBJECT TO SUBSECTION (C) OF THIS SECTION, PROCEDURES**  
20 **FOR IDENTIFYING CLIMATE CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE**  
21 **PROJECTS ELIGIBLE TO RECEIVE QUALIFYING EXPENDITURES FROM THE FUND.**

22           **(c) (1) THE DEPARTMENT MAY BY REGULATION PROVIDE FOR CLIMATE**  
23 **CHANGE ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS TO BE IDENTIFIED**  
24 **FOR FUNDING THROUGH:**

25                        **(I) LEGISLATIVE BUDGET APPROPRIATIONS;**

26                        **(II) THE ISSUANCE OF REQUESTS FOR PROPOSALS FROM LOCAL**  
27 **GOVERNMENTS, NONPROFIT ORGANIZATIONS, OR COMMUNITY GROUPS; OR**

28                        **(III) ANY OTHER METHOD THE DEPARTMENT DEEMS**  
29 **APPROPRIATE.**



1           **(2) THE DEPARTMENT SHALL ENSURE THAT AT LEAST 40% OF THE**  
2 **QUALIFIED EXPENDITURES FROM THE PROGRAM GO TO CLIMATE CHANGE**  
3 **ADAPTIVE OR MITIGATION INFRASTRUCTURE PROJECTS THAT DIRECTLY BENEFIT**  
4 **COMMUNITIES DISPROPORTIONATELY AFFECTED BY CLIMATE IMPACTS.**

5 **2-1707.**

6           **(A) ON OR BEFORE OCTOBER 1, 2027, AND EACH OCTOBER 1 THEREAFTER,**  
7 **THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH**  
8 **§ 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:**

9           **(1) THE COST RECOVERY PAYMENTS RECEIVED AND THE FUNDING**  
10 **DISBURSED FROM THE FUND DURING THE PRECEDING FISCAL YEAR;**

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

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

17           **(4) THE EFFECTIVENESS OF THE PROGRAM IN ACHIEVING THE**  
18 **PURPOSES OF THIS SUBTITLE.**

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

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

24                                   **Article – Public Safety**

25 14-110.4.

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

27           (h) The Fund consists of:

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

29                   (2) investment and interest earnings of the Fund;

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

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

4 (5) **MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION  
5 AND MITIGATION FUND IN ACCORDANCE WITH § 2-1704 OF THE ENVIRONMENT  
6 ARTICLE; AND**

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

9 14-110.5.

10 (b) There is a State Disaster Recovery Fund.

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

13 (2) The Fund [shall consist] **CONSISTS** of:

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

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

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

19 (iv) **FUNDS RECEIVED FROM THE CLIMATE CHANGE  
20 ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1704 OF THE  
21 ENVIRONMENT ARTICLE;**

22 (v) interest earnings of the Fund; and

23 [(v)] (vi) any other money from any other source accepted for the  
24 benefit of the Fund.

## 25 Article – State Government

26 9-2012.

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

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

1 (4) The Fund consists of:

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

3 (ii) **MONEY RECEIVED FROM THE CLIMATE CHANGE**  
4 **ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1704 OF THE**  
5 **ENVIRONMENT ARTICLE; AND**

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

8 9-2015.

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

10 (f) The Fund consists of:

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

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

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

15 (4) **MONEY RECEIVED FROM THE CLIMATE CHANGE ADAPTATION**  
16 **AND MITIGATION FUND IN ACCORDANCE WITH § 2-1704 OF THE ENVIRONMENT**  
17 **ARTICLE;**

18 (5) interest earnings; and

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

21 9-20B-05.

22 (a) There is a Maryland Strategic Energy Investment Fund.

23 (e) The Fund consists of:

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

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



1                   (iii) **MONEY RECEIVED FROM THE CLIMATE CHANGE**  
2 **ADAPTATION AND MITIGATION FUND IN ACCORDANCE WITH § 2-1704 OF THE**  
3 **ENVIRONMENT ARTICLE;**

4                   (IV) Ground rents or land sale proceeds in accordance with §  
5 10-306(c)(2) of the State Finance and Procurement Article;

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

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

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

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

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

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

16                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2024.