

**Department of Legislative Services**  
 Maryland General Assembly  
 2025 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 128

(Delegate Fraser-Hidalgo)

Economic Matters and Environment and  
 Transportation

Education, Energy, and the Environment and  
 Finance

**Climate Change Adaptation and Mitigation - Total Assessed Cost of Greenhouse  
 Gas Emissions - Study and Reports**

This bill requires the Comptroller, in coordination with the Department of Commerce and the Maryland Department of the Environment (MDE), to conduct a study to assess the total cost of greenhouse gas (GHG) emissions in the State. The Comptroller may hire a consultant to conduct the study. By December 1, 2026, the Comptroller, Commerce, and MDE must report to specified committees of the General Assembly on the total assessed cost of GHG emissions in the State based on the findings of the study. The bill establishes requirements for the content of the report.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by at least \$600,000 in FY 2026 only. State revenues are not affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	600,000	0	0	0	0
Net Effect	(\$600,000)	\$0	\$0	\$0	\$0

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

**Local Effect:** Local government finances and operations are not affected.

**Small Business Effect:** Minimal or none.

## Analysis

**Bill Summary:** The report must include (1) a summary of the various cost-driving effects of covered GHG emissions on the State, as specified; (2) a categorized calculation of the costs that have been incurred and costs that are projected to be incurred by the State and its residents for each such cost-driving effect; (3) a categorized calculation of the costs that have been incurred and costs that are projected to be incurred by the State and its residents for related mitigation efforts, as specified; and (4) an economic analysis to determine if there would be a cost passed on to taxpayers if each fossil fuel company that has a sufficient nexus to the State and that emitted more than 1.0 billion tons of GHG emissions globally between 1995 and 2024 were required to compensate the State for climate change.

### **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 carbon dioxide (CO<sub>2</sub>) emissions from the power sector. Each participating state limits CO<sub>2</sub> emissions from electric power plants, issues CO<sub>2</sub> allowances, and establishes participation in CO<sub>2</sub> allowance auctions. A single CO<sub>2</sub> allowance represents a limited authorization to emit one ton of CO<sub>2</sub>.

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 Expenditures:** General fund expenditures increase by at least \$600,000 in fiscal 2026 for the Comptroller to hire a consultant to conduct the required study, as authorized by the bill. This estimate is based on information provided by the Comptroller's Office as well as the estimated costs for the Vermont Treasurer's Office to develop a similar report.

MDE and Commerce can coordinate with the Comptroller as required by the bill using existing budgeted resources.

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### **Additional Information**

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

**Designated Cross File:** SB 149 (Senator Hester) - Education, Energy, and the Environment and Finance.

**Information Source(s):** Department of Commerce; Baltimore City; Calvert, Howard, and Prince George's counties; Maryland Association of Counties; Maryland Department of Emergency Management; City of Annapolis; Maryland Municipal League; Comptroller's Office; Maryland State Treasurer's Office; Judiciary (Administrative Office of the Courts); Maryland State Department of Education; Department of Budget and Management; Maryland Department of the Environment; Maryland Department of Health; Department of Housing and Community Development; Department of Natural Resources; Maryland Department of Transportation; Office of Administrative Hearings; Maryland Energy Administration; Public Service Commission; Anne Arundel County Public Schools; Office of the Attorney General; Vermont Agency of Natural Resources; Department of Legislative Services

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