

# HOUSE BILL 1008

M3, R2

4lr2674

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By: **Delegate Stein**

Introduced and read first time: February 5, 2024

Assigned to: Environment and Transportation and Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Fossil Fuel Transportation Fee and Mitigation Fund**  
3 **(Climate Pollution Reduction Fund Act)**

4 FOR the purpose of imposing a fossil fuel transportation fee on a person that transports a  
5 fossil fuel in the State; establishing the rate of the fossil fuel transportation fee;  
6 establishing the Fossil Fuel Mitigation Fund as a special, nonlapsing fund; requiring  
7 interest earnings of the Fund to be credited to the Fund; and generally relating to  
8 fossil fuel transportation fees.

9 BY adding to

10 Article – Environment

11 Section 7–701 through 7–703 to be under the new subtitle “Subtitle 7. Fossil Fuel  
12 Transportation Fee and Mitigation Fund”

13 Annotated Code of Maryland

14 (2013 Replacement Volume and 2023 Supplement)

15 BY repealing and reenacting, without amendments,

16 Article – State Finance and Procurement

17 Section 6–226(a)(2)(i)

18 Annotated Code of Maryland

19 (2021 Replacement Volume and 2023 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – State Finance and Procurement

22 Section 6–226(a)(2)(ii)189. and 190.

23 Annotated Code of Maryland

24 (2021 Replacement Volume and 2023 Supplement)

25 BY adding to

26 Article – State Finance and Procurement

27 Section 6–226(a)(2)(ii)191.

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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 (2021 Replacement Volume and 2023 Supplement)

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

5 **Article – Environment**

6 **SUBTITLE 7. FOSSIL FUEL TRANSPORTATION FEE AND MITIGATION FUND.**

7 **7–701.**

8 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
9 INDICATED.

10 (B) “CARRIER” MEANS A PERSON THAT TRANSPORTS A FOSSIL FUEL IN THE  
11 STATE.

12 (C) “FOSSIL FUEL TRANSPORTATION FEE” MEANS THE FEE IMPOSED  
13 UNDER § 7–702 OF THIS SUBTITLE.

14 **7–702.**

15 (A) (1) (I) THERE IS A FOSSIL FUEL TRANSPORTATION FEE IMPOSED  
16 ON A CARRIER FOR THE PRIVILEGE OF TRANSPORTING A FOSSIL FUEL IN THE STATE.

17 (II) THE DEPARTMENT SHALL ADOPT REGULATIONS THAT  
18 ESTABLISH THE FOSSIL FUELS TO WHICH THE FEE IMPOSED UNDER SUBPARAGRAPH  
19 (I) OF THIS PARAGRAPH SHALL APPLY.

20 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS  
21 PARAGRAPH, THE FOSSIL FUEL TRANSPORTATION FEE IS IMPOSED ON THE FIRST  
22 CARRIER TO TRANSPORT THE FOSSIL FUEL IN THE STATE.

23 (II) THE FOSSIL FUEL TRANSPORTATION FEE MAY BE IMPOSED  
24 ON A SUBSEQUENT CARRIER THAT TRANSPORTS THE FOSSIL FUEL IN THE STATE IF  
25 ANY OF THE PREVIOUS CARRIERS FAILS TO PAY THE FEE.

26 (B) THE RATE OF THE FOSSIL FUEL TRANSPORTATION FEE IS EQUAL TO 30  
27 CENTS PER MILLION BRITISH THERMAL UNITS OF FOSSIL FUELS TRANSPORTED IN  
28 THE STATE.

29 (C) THE FOSSIL FUEL TRANSPORTATION FEE DOES NOT APPLY TO THE  
30 TRANSPORTATION OF:

1           **(1) A FOSSIL FUEL ON WHICH THE FEE IMPOSED UNDER SUBSECTION**  
2 **(A) OF THIS SECTION OR UNDER § 4-411 OF THIS ARTICLE HAS BEEN PAID; OR**

3           **(2) A FOSSIL FUEL THAT IS SOLELY FOR USE ON A FARM AND THE**  
4 **CARRIER DOES NOT OTHERWISE USE, MANUFACTURE, PACKAGE FOR SALE, OR SELL**  
5 **THE FOSSIL FUEL IN THE STATE.**

6           **(D) A CARRIER SHALL PAY THE FOSSIL FUEL TRANSPORTATION FEE TO THE**  
7 **DEPARTMENT AND PROVIDE ANY INFORMATION REQUIRED BY THE DEPARTMENT.**

8           **(E) THE DEPARTMENT SHALL DISTRIBUTE THE REVENUE ATTRIBUTABLE**  
9 **TO THE FOSSIL FUEL TRANSPORTATION FEE TO THE FOSSIL FUEL MITIGATION**  
10 **FUND ESTABLISHED UNDER § 7-703 OF THIS SUBTITLE.**

11           **(F) (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO PROVIDE FOR**  
12 **THE ADMINISTRATION AND COLLECTION OF THE FOSSIL FUEL TRANSPORTATION**  
13 **FEE.**

14           **(2) THE DEPARTMENT MAY ESTABLISH AUDIT PROCEDURES FOR THE**  
15 **AUDIT OF CARRIERS OF FOSSIL FUELS.**

16 **7-703.**

17           **(A) IN THIS SECTION, “FUND” MEANS THE FOSSIL FUEL MITIGATION FUND.**

18           **(B) THERE IS A FOSSIL FUEL MITIGATION FUND.**

19           **(C) THE PURPOSE OF THE FUND IS TO SUPPORT ACTIVITIES THAT REDUCE**  
20 **GREENHOUSE GAS EMISSIONS FROM FOSSIL FUELS AND THEIR IMPACTS IN THE**  
21 **STATE.**

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

23           **(E) (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           **(F) THE FUND CONSISTS OF:**

1           **(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 7-702 OF THIS**  
2 **SUBTITLE;**

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

4           **(3) INTEREST EARNINGS; AND**

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

7           **(G) (1) THE FUND MAY BE USED ONLY BY THE DEPARTMENT OR RELATED**  
8 **ENTITIES FOR ACTIVITIES AND PROGRAMS THAT REDUCE GREENHOUSE GAS**  
9 **EMISSIONS IN THE STATE CONSISTENT WITH THE DEPARTMENT'S CLIMATE**  
10 **POLLUTION REDUCTION PLAN.**

11           **(2) THE DEPARTMENT MAY USE UP TO 5% OF THE AMOUNT**  
12 **DISTRIBUTED TO THE FUND EACH FISCAL YEAR FOR ADMINISTRATIVE COSTS**  
13 **RELATED TO THE ACTIVITIES AND PROGRAMS AUTHORIZED UNDER PARAGRAPH (1)**  
14 **OF THIS SUBSECTION.**

15           **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
16 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

17           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
18 **THE FUND.**

19           **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
20 **WITH THE STATE BUDGET.**

21           **(J) MONEY EXPENDED FROM THE FUND FOR FOSSIL FUEL MITIGATION AND**  
22 **REMEDICATION IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF**  
23 **FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR FOSSIL FUEL**  
24 **MITIGATION AND REMEDIATION.**

25                           **Article – State Finance and Procurement**

26 6-226.

27           **(a) (2) (i) Notwithstanding any other provision of law, and unless**  
28 **inconsistent with a federal law, grant agreement, or other federal requirement or with the**  
29 **terms of a gift or settlement agreement, net interest on all State money allocated by the**  
30 **State Treasurer under this section to special funds or accounts, and otherwise entitled to**  
31 **receive interest earnings, as accounted for by the Comptroller, shall accrue to the General**  
32 **Fund of the State.**

1 (ii) The provisions of subparagraph (i) of this paragraph do not apply  
2 to the following funds:

3 189. the Teacher Retention and Development Fund; [and]

4 190. the Protecting Against Hate Crimes Grant Fund; AND

5 **191. THE FOSSIL FUEL MITIGATION FUND.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
7 1, 2024.