

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 703 (Delegate V. Clagett, *et al.*)
Environmental Matters and Economic Matters Education, Health, and Environmental Affairs and Finance

Maryland Commission on Climate Change and Clean Energy Alternatives

This bill establishes a Maryland Commission on Climate Change and Clean Energy Alternatives to, among other things, develop a State strategy for addressing the issue and impacts of climate change; develop specified procedures to monitor progress in meeting the strategy; conduct specified assessments and evaluations; and make recommendations. Staff must be provided by the Maryland Department of the Environment (MDE) and the Department of Natural Resources (DNR). The commission must submit a report on its preliminary findings and recommendations to the Governor and the General Assembly by May 1 of each year; an annual report is due by December 1 of each year.

Fiscal Summary

State Effect: Any expense reimbursements for commission members and staffing costs for MDE and DNR are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The commission must:

- develop an overall State strategy for assessing and addressing the issue of climate change and the impacts of climate change on the State and promoting energy efficiencies and clean energy alternatives;

- assess the specific ongoing, probable, and possible impacts of various climate change scenarios, storm behavior, and other weather events on the general welfare, health, ecology, and economy of the State and its citizens, the Chesapeake Bay and its tributaries, and the State's coastal communities and waterfronts and then investigate ways to mitigate or adapt to those events;
- develop specific procedures to monitor progress in meeting an overall State strategy;
- assess the status of the State's ability to plan for climate-driven emergencies and identify the most effective federal role in planning for such emergencies;
- serve as a focal point for policy development on climate change and recommend new initiatives and actions to mitigate or adapt to the impacts of climate change;
- evaluate the knowledge and understanding on climate and alternative fuels issues and recommend research to further refine the State's understanding of the issue;
- investigate and evaluate the policies and programs underway in other states, at the national level, the European Union, and elsewhere as appropriate;
- assess the work and plans of the Regional Greenhouse Gas Initiative and its member states;
- examine the feasibility of joint climate and renewable energy cooperative programs with other states and other nations; and
- assess the status of the insurance industry's participation in issuing property insurance to homeowners and businesses within the State's coastal areas and recommend any State actions or incentives to ensure that homeowners and businesses receive coverage.

The bill establishes provisions regarding the terms of commissioners and the resignation and removal of commissioners under specified conditions. A commissioner may not receive compensation but is entitled to reimbursement under the Standard State Travel Regulations.

Current Law: Although the State does not have an overall strategy relating to climate change, numerous programs aim to reduce the State's reliance on fossil fuels and to reduce greenhouse gas emissions from various sources in the State.

Background: According to a 2007 report by the Intergovernmental Panel on Climate Change (IPCC), global atmospheric concentrations of carbon dioxide (CO₂), methane, and nitrous oxide have increased markedly as a result of human activities since 1750 and now far exceed pre-industrial values determined from ice cores spanning many thousands of years. The global increases in CO₂ concentration are due primarily to fossil fuel use and land use change, while those of methane and nitrous oxide are primarily due to agriculture. The understanding of human-induced warming and cooling influences on climate has improved recently, leading to very high confidence that the globally averaged net effect of human activities since 1750 has been one of warming. IPCC reports that

continued greenhouse gas emissions at or above current rates would cause further warming and induce many changes in the global climate systems during the 21st century that would very likely be larger than those observed during the 20th century.

The U.S. Environmental Protection Agency also reports that human activities have substantially added to the amount of greenhouse gases in the atmosphere. According to Environment Maryland, global average temperatures increased by 1°F in the 20th century and are now increasing at a rate of about 0.36°F per decade. Environment Maryland reports that Maryland, with its 3,100 miles of tidally influenced coastline, is susceptible to negative impacts from global warming. Sea levels could rise by another 19 inches by 2100, inundating thousands of acres of land, while leaving large portions of the State susceptible to coastal flooding from major storms. In response to recent storms in the U.S., in 2006, Allstate Insurance Company announced it would stop issuing new homeowners' insurance policies in Maryland's coastal areas.

State Expenditures: MDE advises that costs would increase by approximately \$39,000 in fiscal 2008 to hire one planner to staff the commission and conduct related research. Although Legislative Services acknowledges that existing MDE staff are fully subscribed with existing Clean Air Act and Regional Greenhouse Gas Initiative commitments, it is unclear at this time that this bill *alone* would create enough work to justify a full-time position. Accordingly, MDE could begin to implement the bill with existing budgeted resources; to the extent existing resources prove insufficient, MDE could request additional resources through the annual budget process.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Department of Natural Resources, Maryland Department of Planning, Department of Business and Economic Development, Comptroller's Office, Maryland Energy Administration, Maryland Department of Agriculture, U.S. Environmental Protection Agency, Environment Maryland, Department of Legislative Services

Fiscal Note History: First Reader - March 7, 2007
ncs/ljm

Analysis by: Lesley G. Cook

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

