

HOUSE BILL 990

M3

4lr2726
CF 4lr3164

By: **Delegate Stein**

Introduced and read first time: February 5, 2024

Assigned to: Environment and Transportation and Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Greenhouse Gas Emissions Reductions – Manufacturers**

3 FOR the purpose of altering the definition of “manufacturing” for purposes of certain
4 greenhouse gas emissions reduction requirements to exclude the production of
5 cement; altering the application of certain provisions of law regarding the reduction
6 of greenhouse gas emissions from the manufacturing sector to apply only to persons
7 that engaged in manufacturing in a certain year; altering certain prohibitions that
8 apply to a State agency’s implementation of a final plan to reduce statewide
9 greenhouse gas emissions; and generally relating to greenhouse gas emissions
10 reductions and manufacturers.

11 BY repealing and reenacting, without amendments,
12 Article – Environment
13 Section 2–1202(a) and 2–1205(a)
14 Annotated Code of Maryland
15 (2013 Replacement Volume and 2023 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Environment
18 Section 2–1202(h) and 2–1205(g) and (h)
19 Annotated Code of Maryland
20 (2013 Replacement Volume and 2023 Supplement)

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

23 **Article – Environment**

24 2–1202.

25 (a) In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(h) (1) “Manufacturing” means the process of substantially transforming, or a substantial step in the process of substantially transforming, tangible personal property into a new and different article of tangible personal property by the use of labor or machinery.

(2) “Manufacturing”, when performed by companies primarily engaged in the activities described in paragraph (1) of this subsection, includes:

(i) The operation of saw mills, grain mills, or feed mills;

(ii) The operation of machinery and equipment used to extract and process minerals, metals, or earthen materials or by-products that result from the extracting or processing; and

(iii) Research and development activities.

(3) “Manufacturing” does not include:

(i) Activities that are primarily a service;

(ii) Activities that are intellectual, artistic, or clerical in nature;

(iii) Public utility services, including gas, electric, water, and steam production services; [or]

(iv) **THE PRODUCTION OF CEMENT; OR**

(v) Any other activity that would not commonly be considered as manufacturing.

2–1205.

(a) The State shall develop plans, adopt regulations, and implement programs that reduce statewide greenhouse gas emissions in accordance with this subtitle.

(g) (1) **PARAGRAPHS (2) AND (3) OF THIS SUBSECTION APPLY ONLY TO PERSONS WHO ENGAGED IN MANUFACTURING IN 2023.**

(2) (I) Unless required by federal law or regulations or existing State law, regulations adopted by State agencies to implement a final plan may not:

[i] 1. Require **ANY MANUFACTURER TO REDUCE** greenhouse gas emissions [reductions from the State’s manufacturing sector] **BELOW THE EMISSIONS LEVELS FOR THAT MANUFACTURER IN 2023;** or

1 [(ii)] **2.** Cause [a significant] AN increase in costs to [the State's
2 manufacturing sector] **A MANUFACTURER THAT ARE SIGNIFICANTLY BEYOND THE**
3 **COSTS THAT WERE INCURRED BY THAT MANUFACTURER IN 2023.**

4 [(2)] **(II)** [Paragraph (1)] **SUBPARAGRAPH (I)** of this [subsection]
5 **PARAGRAPH** may not be construed to exempt greenhouse gas emissions sources in the
6 State's manufacturing sector from the obligation to comply with:

7 [(i)] **1.** Greenhouse gas emissions monitoring, recordkeeping, and
8 reporting requirements for which the Department had existing authority under § 2-301(a)
9 of this title on or before October 1, 2009; or

10 [(ii)] **2.** Greenhouse gas emissions reductions required of the
11 manufacturing sector as a result of the State's implementation of the Regional Greenhouse
12 Gas Initiative.

13 [(h)] **(3)** A regulation adopted by a State agency for the purpose of reducing
14 greenhouse gas emissions in accordance with this section may not be construed to result in
15 a significant increase in costs to the State's manufacturing sector unless the source would
16 not incur the cost increase but for the new regulation.

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