

# HOUSE BILL 1088

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CF SB 882

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By: **Delegates Stein, Lehman, Taveras, and Terrasa**

Introduced and read first time: February 5, 2025

Assigned to: Environment and Transportation and Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Coal Transportation Fee and Fossil Fuel Mitigation Fund**  
3 **(Coal Dust Cleanup and Asthma Remediation Act)**

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

9 BY repealing and reenacting, without amendments,  
10 Article – Environment  
11 Section 1–701(a)(1), (7), and (8)  
12 Annotated Code of Maryland  
13 (2013 Replacement Volume and 2024 Supplement)

14 BY adding to  
15 Article – Environment  
16 Section 7–701 through 7–703 to be under the new subtitle “Subtitle 7. Coal  
17 Transportation Fee and Fossil Fuel Mitigation Fund”  
18 Annotated Code of Maryland  
19 (2013 Replacement Volume and 2024 Supplement)

20 BY repealing and reenacting, without amendments,  
21 Article – State Finance and Procurement  
22 Section 6–226(a)(2)(i)  
23 Annotated Code of Maryland  
24 (2021 Replacement Volume and 2024 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article – State Finance and Procurement  
27 Section 6–226(a)(2)(ii) 204. and 205.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)

BY adding to

Article – State Finance and Procurement  
Section 6–226(a)(2)(ii)206.

Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)

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

### **Article – Environment**

1–701.

(a) (1) In this section the following words have the meanings indicated.

(7) “Overburdened community” means any census tract for which three or more of the following environmental health indicators are above the 75th percentile statewide:

- (i) Particulate matter (PM) 2.5;
- (ii) Ozone;
- (iii) National Air Toxics Assessment (NATA) diesel PM;
- (iv) NATA cancer risk;
- (v) NATA respiratory hazard index;
- (vi) Traffic proximity;
- (vii) Lead paint indicator;
- (viii) National Priorities List Superfund site proximity;
- (ix) Risk Management Plan facility proximity;
- (x) Hazardous waste proximity;
- (xi) Wastewater discharge indicator;
- (xii) Proximity to a Concentrated Animal Feeding Operation (CAFO);
- (xiii) Percent of the population lacking broadband coverage;

- (xiv) Asthma emergency room discharges;
- (xv) Myocardial infarction discharges;
- (xvi) Low-birth-weight infants;
- (xvii) Proximity to emitting power plants;
- (xviii) Proximity to a Toxic Release Inventory (TRI) facility;
- (xix) Proximity to a brownfields site;
- (xx) Proximity to mining operations; and
- (xxi) Proximity to a hazardous waste landfill.

(8) “Underserved community” means any census tract in which, according to the most recent U.S. Census Bureau Survey:

- (i) At least 25% of the residents qualify as low-income;
- (ii) At least 50% of the residents identify as nonwhite; or
- (iii) At least 15% of the residents have limited English proficiency.

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

**7-701.**

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

(B) “CARRIER” MEANS A PERSON THAT TRANSPORTS COAL IN THE STATE.

(C) “COAL TRANSPORTATION FEE” MEANS THE FEE IMPOSED UNDER § 7-702 OF THIS SUBTITLE.

**7-702.**

(A) (1) THERE IS A COAL TRANSPORTATION FEE IMPOSED ON A CARRIER FOR THE PRIVILEGE OF TRANSPORTING COAL IN THE STATE.

(2) THE COAL TRANSPORTATION FEE IS IMPOSED ON THE FIRST CARRIER TO TRANSPORT COAL IN THE STATE.

1           **(B) THE RATE OF THE COAL TRANSPORTATION FEE IS EQUAL TO \$13 PER**  
2 **SHORT TON OF COAL TRANSPORTED IN THE STATE.**

3           **(C) THE COAL TRANSPORTATION FEE DOES NOT APPLY TO THE**  
4 **TRANSPORTATION OF COAL THAT IS SOLELY FOR USE ON A FARM AND THE CARRIER**  
5 **DOES NOT OTHERWISE USE, MANUFACTURE, PACKAGE FOR SALE, OR SELL THE COAL**  
6 **IN THE STATE.**

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

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

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

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

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 OF THE FUND; AND**

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

7           **(G) (1) (I) THE FUND MAY BE USED ONLY BY THE DEPARTMENT OR**  
8 **THE MARYLAND CLEAN ENERGY CENTER ESTABLISHED UNDER § 10-806 OF THE**  
9 **ECONOMIC DEVELOPMENT ARTICLE TO SUPPORT ACTIVITIES AND PROGRAMS THAT**  
10 **REDUCE GREENHOUSE GAS EMISSIONS IN THE STATE.**

11                   **(II) THE DEPARTMENT MAY USE UP TO 9% OF THE AMOUNT**  
12 **DISTRIBUTED TO THE FUND EACH FISCAL YEAR FOR ADMINISTRATIVE COSTS**  
13 **RELATED TO THE ACTIVITIES AND PROGRAMS AUTHORIZED UNDER SUBPARAGRAPH**  
14 **(I) OF THIS PARAGRAPH.**

15                   **(III) THE DEPARTMENT MAY USE ANY REMAINING FUNDS FOR**  
16 **AUTHORIZED ACTIVITIES AND PROGRAMS AS FOLLOWS:**

17                           **1. UP TO 23% FOR ACTIVITIES AND PROGRAMS RELATED**  
18 **TO INCREASING HOME ENERGY EFFICIENCY AND ELECTRIFICATION;**

19                           **2. UP TO 23% FOR ACTIVITIES AND PROGRAMS RELATED**  
20 **TO REDUCING GREENHOUSE GAS EMISSIONS IN COMMERCIAL, MULTIFAMILY, AND**  
21 **INSTITUTIONAL BUILDINGS;**

22                           **3. UP TO 22% FOR ACTIVITIES AND PROGRAMS RELATED**  
23 **TO REDUCING GREENHOUSE GAS EMISSIONS THROUGH THE USE OF ELECTRIC**  
24 **VEHICLES, ELECTRIC SCHOOL BUSES, AND ELECTRIC CHARGING EQUIPMENT;**

25                           **4. UP TO 20% FOR ACTIVITIES AND PROGRAMS RELATED**  
26 **TO INCREASING MASS TRANSIT;**

27                           **5. UP TO 9% FOR THE ADMINISTRATION OF ACTIVITIES**  
28 **AND PROGRAMS;**

29                           **6. UP TO 2% FOR ACTIVITIES AND PROGRAMS RELATED**  
30 **TO ASTHMA TREATMENT FOR COMMUNITIES IMPACTED BY COAL DUST; AND**

1                               **7. UP TO 1% FOR ACTIVITIES AND PROGRAMS RELATED**  
2 **TO PUBLIC AWARENESS CAMPAIGNS FOR REDUCING GREENHOUSE GAS EMISSIONS.**

3                               **(2) IN EACH FISCAL YEAR, AT LEAST 40% OF THE FUNDING USED**  
4 **UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION SHALL BE USED FOR ACTIVITIES**  
5 **AND PROGRAMS THAT ADDRESS THE NEGATIVE IMPACTS OF CLIMATE CHANGE IN**  
6 **OVERBURDENED AND UNDERSERVED COMMUNITIES, AS DEFINED IN § 1-701 OF THE**  
7 **ENVIRONMENT ARTICLE.**

8                               **(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE**  
9 **MARYLAND CLEAN ENERGY CENTER MAY USE ANY REMAINING FUNDS NOT USED**  
10 **UNDER PARAGRAPH (1) OF THIS SUBSECTION TO ISSUE LOW-INTEREST BONDS FOR**  
11 **AUTHORIZED ACTIVITIES AND PROGRAMS RELATED TO:**

12                               **1. INCREASING HOME ENERGY EFFICIENCY AND**  
13 **ELECTRIFICATION;**

14                               **2. REDUCING GREENHOUSE GAS EMISSIONS IN**  
15 **COMMERCIAL, MULTIFAMILY, AND INSTITUTIONAL BUILDINGS;**

16                               **3. REDUCING GREENHOUSE GAS EMISSIONS THROUGH**  
17 **THE USE OF ELECTRIC VEHICLES, ELECTRIC SCHOOL BUSES, AND ELECTRIC**  
18 **CHARGING EQUIPMENT; AND**

19                               **4. INCREASING MASS TRANSIT.**

20                               **(II) THE MARYLAND CLEAN ENERGY CENTER MAY USE UP TO**  
21 **50% OF THE AMOUNT DISTRIBUTED TO THE FUND TO ISSUE LOW-INTEREST BONDS**  
22 **UNDER THIS PARAGRAPH.**

23                               **(III) MONEY EXPENDED FROM THE FUND FOR ISSUING**  
24 **LOW-INTEREST BONDS UNDER THIS PARAGRAPH IS NOT INTENDED TO TAKE THE**  
25 **PLACE OF FUNDING THAT WOULD OTHERWISE BE APPROPRIATED FOR ACTIVITIES**  
26 **SPECIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

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

29                               **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
30 **THE FUND.**

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

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

**Article – State Finance and Procurement**

6–226.

(a) (2) (i) 1. This subparagraph does not apply in fiscal years 2024 through 2028.

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

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

204. the Victims of Domestic Violence Program Grant Fund;

[and]

205. the Proposed Programs Collaborative Grant Fund; AND

**206. THE FOSSIL FUEL MITIGATION FUND.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.