



**February 27, 2024**

**BILL:** **HB0516**  
**TITLE:** **Climate Crisis and Environmental Justice Act**  
**POSITION:** **SUPPORT**  
**HEARING DATE:** **February 29, 2024**  
**COMMITTEE:** **House Economic Matters Committee**  
**SPONSOR:** **Delegate Diana M. Fennell**

Dear House Committee on Economic Matters,

My name is Jonah Kurman-Faber and I serve as Policy and Research Director for Climate XChange, a national nonprofit organization that provides research and technical assistance on state climate policy. I am submitting testimony in favor of passing House Bill 516, the Climate Crisis and Environmental Justice Act.

HB 516 provides substantial, new vital revenue that the state of Maryland needs in order to meet legally binding greenhouse gas reduction goals, create new business and workforce opportunities, and improve the health and safety of all communities. If passed, we project that HB 516 will generate an average of \$1.7 billion per year, amounting to \$17.7 billion between 2025 and 2034, for the purposes of transportation infrastructure, grid modernization, energy efficiency, workforce development, and other vital measures of the clean energy transition, as well as vital direct rebates to consumers and businesses.

Many existing climate efforts in Maryland rely on existing budgets and appropriations, and new capital resources are required to hit the state's legally binding greenhouse gas reduction targets. HB 516 is a progressive, rather than regressive, funding source, and dedicates substantial new investment to environmental justice communities in Maryland. The bill also is compatible with other legislative efforts in the state around climate justice, environmental justice, and public infrastructure.

For example, the Climate Solutions Now Act of 2022 establishes new capital funds and grant fund programs for clean energy development, workforce development, net-zero schools, and other priorities. Additionally, Maryland's climate planning efforts as part of the Climate Solutions Now Act, as well as part of federal funding programs such as the Climate Pollution

Reduction Grant (CPRG) Program, call for substantial new revenue sources to fund the state's short and long term GHG reduction mandates. HB 516 provides such vital revenue, which the state can leverage to further attract federal competitive funding, and without which the state will fall short of its climate mandates.

HB 516's approach is simple and effective, following existing fiscal and bureaucratic pathways in the state. The majority of program administration is handled by the Secretary of the Maryland Department of the Environment (MDE) as well as the state Comptroller. Similar to the RGGI program and other states such as California and Washington state, the program would establish an annual reporting system and fee obligation for companies that distribute fossil fuels into the state of Maryland for in-state consumption. The data required for this program is already tracked by the state for other governmental purposes. This is an approach already well-documented as successfully implemented in RGGI, and has been previously discussed and designed for the transportation sector in Maryland during discussions on the Transportation and Climate Initiative. New York is currently designing a carbon-based price signal in order to achieve their legally mandated climate targets as well.

The majority of this program will be administered upstream, to ease administrative burden. There are 35 bulk stations and bulk terminals in Maryland, which serve to import wholesale petroleum products into the state for local distribution and consumption, and will serve as the reporting and compliance entity under HB 516.<sup>1</sup> Natural gas distribution is further streamlined to a handful of utilities and distributors, who also already have sufficient data and reporting in place to calculate and compensate the state for the emissions associated with end-use of fossil fuels in Maryland.

In either case, HB 516 provides ample and progressive benefits to the public via a suite of: 1) protections to prevent the pass-through of HB 516-associated costs to the end consumer, 2) ample rebates administered by the state to provide 50% of all revenue collected back to households and vulnerable employers, and 3) a robust investment strategy to build infrastructure and climate-friendly projects that benefit the public. As a result, HB 516 will result in hundreds of dollars of annual benefits per household in Maryland.

For the reasons stated above, and for the fiscal health, public health, and environmental goals of Maryland, I urged the passage of House Bill 516. Thank you and please reach out with any further questions.

Regards,  
Jonah Kurman-Faber

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<sup>1</sup>[https://www.georgetownclimate.org/files/report/GCC\\_TransportationFuelSystemConsiderations\\_July2018.pdf](https://www.georgetownclimate.org/files/report/GCC_TransportationFuelSystemConsiderations_July2018.pdf)

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Cc: Members of the Economic Matters Committee  
Members of the Environment and Transportation Committee