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February 29th, 2024

Delegate C.T. Wilson, Chair
House Economic Matters Committee
231 House Office Building
Annapolis, MD 21401

RE: HB 516 – UNFAVORABLE – Climate Crisis and Environmental Justice Act of 2024

Dear Chair Wilson and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms, and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

House Bill 516, the "Climate Crisis and Environmental Justice Act of 2024" establishes the Climate Crisis Initiative within the Department of the Environment to assess greenhouse gas pollution fees, establish the Household and Employer Benefit Fund, as well as the Climate Crisis Infrastructure Fund. While our organization appreciates the intent of this legislation and all legislation aimed at protecting our environment, we have serious concerns about how this bill will impact our members and the transportation industry as a whole.

This bill establishes a fee per ton of carbon dioxide on transportation fuels. Starting in 2025, the fee will be \$25 and increase by \$3 each year through 2034, where it will then increase to \$52 per year starting in 2035. This will cripple our transportation industry that relies on natural gas and other means to dry aggregate and produce the materials needed for our roads. With the State's massive cuts to the transportation budget over the six years, at the very least, resulting in less work for our member companies, how can the legislature pass a bill that will create such heavy taxes at such a challenging time? We appreciate you taking the time to consider our request, and respectfully ask for an **UNFAVORABLE** report on HB 516.

Sincerely,



Tim E. Smith, P.E.
President
Maryland Asphalt Association