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Environment and Transportation Committee

Subcommittees

Chair, Environment

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The Maryland House of Delegates Annapolis, Maryland 21401

Delegate Dana Stein Testimony in Support of HB 1008 Fossil Fuel Transportation Fee and Mitigation Fund (Climate Pollution Reduction Fund Act)

Maryland already assesses a fee on any oil that is offloaded or onloaded in the State. The fee goes to the Maryland Oil Disaster Containment, Clean–Up and Contingency Fund.

This bill would assess a fee on other fossil fuels that are transported in the State, excluding fossil fuels used on a farm. With my amendment, propane and liquid petroleum gas are excluded. Maryland Department of the Environment would use the fees for activities and programs that reduce greenhouse gas emissions in Maryland consistent with MDE's Climate Pollution Reduction Plan (Climate Plan). With a second amendment, 40% of the revenue would be spent to address climate impacts in underserved or overburdened communities.

HB 1008 is consistent with MDE's Climate Plan, which recommended that entities "pay a fee for the hazardous substances transported in the state, including fossil fuels used in or exported from the state, based on a fee rate set by the government." The funds generated by this bill would be one potential solution for generating the funds needed to implement our climate pollution reduction goals.

It's important to note that MDE estimates that two-thirds of the fees would be paid by non-Marylanders.

The fee that the bill sets, 30 cents per million British thermal units, is identical to the fee that Washington assesses on certain fossil fuels. It's also similar to the fee assessed on hazardous substances in New Jersey.

I urge a favorable vote on HB 1008.