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Committee: Environment & Transportation

**Testimony on: HB1526 – “Transportation Carbon Reduction Fund – Establishment
(Transportation Carbon Fund Act)”**

Position: Favorable

Hearing Date: March 5, 2020

The Maryland Sierra Club urges a favorable report on HB1526. This bill would create a fund for revenue generated by the Transportation and Climate Initiative (TCI), a regional collaboration of Maryland, 11 Mid-Atlantic and Northeast states, and the District of Columbia that is designed to reduce climate-damaging carbon pollution from transportation fuels. The fund may only be used to finance projects and programs related to the state’s participation in TCI.

A workgroup consisting of two members of the House and two members of the Senate would study and make recommendations on how the revenues in the fund should be spent based on data, studies, and community consultation. The workgroup would be required to hold public meetings and establish a community advisory subcommittee to advise and gather input for the workgroup recommendations.

Transportation is the largest source of climate-damaging carbon pollution in Maryland. Last year the General Assembly passed a bill affirming the state’s ability to enter into a regional governmental initiative that reduces greenhouse gas emissions from the transportation sector. The Hogan administration is working with other states and DC to design a policy to implement the initiative and expects to release a final agreement in the spring of 2020. Once adopted by the participating states, the program could begin to generate revenue in 2022.

We strongly support directing all TCI revenues into one separate fund, and requiring that all such revenues only be used to finance projects and programs related to the state’s participation in TCI. We likewise support the prohibition on using any of the revenues for administrative expenses, and the specification that the revenues be treated as supplemental in nature, i.e., they are not to take the place of funding that otherwise would be appropriated for TCI-related uses.

We also strongly support the provisions in the bill that call for creation of a workgroup to develop spending recommendations, which are to be based in part on data regarding disadvantaged communities and public input from hearings and the formation of a community advisory subcommittee. It is critical that the spending recommendations be targeted toward disadvantaged communities and workers overburdened by transportation pollution and inadequate access to transit.

We urge a favorable report on HB 1526.

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Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has approximately 800,000 members.