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OFFICE OF THE SECRETARY

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BILL: House Bill 171 - Climate Crisis and Environmental Justice Act

COMMITTEE: House Economic Matters

DATE: March 10, 2022

POSITION: Letter of Information

Upon review of House Bill 171 – Climate Crisis and Environmental Justice Act, the Maryland Department of General Services (DGS) provides these comments for your consideration.

This bill alters the State's Greenhouse Gas Reduction Goals and establishes a greenhouse gas pollution fee for transportation and non-transportation fuels. This fee would have a **significant fiscal impact on DGS**, as the agency responsible for State Construction and Maintenance, along with providing fuel for State Vehicles.

Non-Transportation fuels are used in State construction and facilities operations, usually used to heat spaces and water. **The proposed fee is estimated to increase the cost of energy by more than \$84.5 million over a ten-year period for all State buildings (including USM facilities).**

Transportation fuels are purchased to power the State vehicle fleet. The State is in the process of converting the fleet to electric vehicles (EVs), which helps to lessen the long-term fiscal impact. However, by 2032 this would still **cost a total of more than \$7.75 million** by implementing a pollution fee on carbon emissions.

For additional information, contact Ellen Robertson at 410-260-2908.

