

**Thursday, March 7, 2024**

**TO:** C. T. Wilson, Chair of the House Economic Matters Committee; Marc Korman, Chair of the Environment and Transportation Committee, and Committee Members.

**FROM:** Mariana Rosales, The Nature Conservancy, Director of Climate; Cait Kerr, The Nature Conservancy, State Policy Manager

**POSITION:** Support HB 1272 Department of the Environment - Cap-and-Invest Program – Establishment

The Nature Conservancy (TNC) supports HB 1272. This bill will allow the administration to develop a valuable tool to dissuade polluters and gather necessary funds for policy programs directed to achieve Maryland's commitments to address climate change. These goals include reducing GHG emissions by 60% from 2006 levels by 2031 and achieving net-zero statewide GHG emissions by 2045.

Furthermore, the bill aligns with the recommendations of the Maryland Commission on Climate Change and the Maryland Department of the Environment. In particular, Maryland's Climate Pollution Reduction Plan includes this proposal as a potential new source of funding in the chapter on economy-wide policies.

Maryland is experiencing more frequent extreme weather events with increasing intensity, including heavy rainfall, high tides, and record heat, causing significant damage to infrastructure, homes, and natural habitats. Our existing infrastructure is not equipped to handle today's challenges and certainly not the expected challenges in the future. This bill will protect lives and property and promote a more sustainable and resilient future for our state, capping the emissions levels and requiring polluters to purchase emission allowances. The government will invest the proceeds in achieving a rapid, effective, and equitable transition to a Net-Zero Economy.

Governor Moore has called for investing \$1 billion annually to fight climate change. HB 1272 requires MDE, in collaboration with the Maryland Commission on Climate Change, to develop an economy-wide cap-and-invest program by the end of 2024. This program will generate new revenue transferring the cost that polluters historically have placed in society. As it currently stands, taxpayers across Maryland are paying for the cost of climate change, which are adding up and contributing to the state's projected budget shortfall. A cap-and-invest program will require polluters to pay, dissuade future emissions, and generate revenue that will be invested in critical projects and climate resilience initiatives.

TNC commends the legislature for bringing forward a proposal to generate positive incentives that will allow us to achieve our mitigation goals and generate revenue to address climate change, promoting resilience in Maryland.

**Therefore, we urge a favorable report on HB 1272.**