

**Thursday, January 23rd, 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 128 Responding to Emergency Needs from Extreme Weather (RENEW) Act of 2025

The Nature Conservancy (TNC) supports HB 128 offered by Delegate Fraser-Hidalgo. This bill seeks to allocate necessary funds to prepare for and recover from worsening extreme weather events by establishing the Climate Change Adaptation and Mitigation Payment Program. HB 128 is consistent with Maryland's commitments to address climate change established in the Climate Solutions Now Act of 2022. These goals include reducing GHG emissions by 60% from 2006 levels by 2031 and achieving net-zero statewide GHG emissions by 2045.

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. The RENEW Act will provide critical funding to upgrade stormwater management systems, improve shoreline protection, and enhance public buildings' resiliency. This bill will protect lives and property and promote a more sustainable and resilient future for our state.

HB 128 aligns with the Maryland Commission on Climate Change and the Maryland Department of the Environment's recommendations for climate action. In particular, Maryland's Climate Pollution Reduction Plan includes the proposal made by HB 128 as a potential new funding source in its chapter on economy-wide policies. The state would use these funds for clean economy investments to reduce climate impacts on our communities and ecosystems.

The bill also seeks to address the needs of communities disproportionately affected by climate impacts. The RENEW Act allocates 40% of the Climate Change Adaptation and Mitigation Fund to support these communities, in line with the federal Justice40 initiative. These communities have been harmed the most by siting decisions for fossil fuel infrastructure and other polluting facilities and are now being hit first and worst by climate change risks and hazards. HB 128 aims to ensure that climate resilience investment benefits are equitably distributed across our state.

Governor Moore has called for investing \$1 billion annually to fight climate change. HB 128 will generate new revenue estimated at \$900 million per year for ten years without imposing additional costs on Maryland residents. As it currently stands, taxpayers across Maryland are paying for the cost of climate change. Under the RENEW Act, large out-of-state fossil fuel companies, which have historically contributed the most to climate change, will be required to pay a one-time penalty for their emissions. It is estimated that this penalty will cost these companies roughly one-fifth of one percent of their annual profits. These funds will be invested in critical infrastructure projects and climate resilience initiatives, which will create new jobs and benefit all Marylanders by creating more resilient, disaster-resistant communities and speeding up recovery when disasters do strike.

TNC commends the legislature for exploring this proposal to generate much-needed revenue for addressing climate change and promoting resilience in Maryland. Passing HB 128 is a crucial step in protecting our communities, ecosystems, and economy from extreme weather events and other environmental hazards.

**Therefore, we urge a favorable report on HB 128.**