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Fossil Fuel Industry Should Help Fund Climate Resiliency Projects

Position Statement in Support of House Bill 128

Given before the House Economic Matters and Environment and Transportation Committees

Addressing the effects of climate change will continue to be essential for protecting the health and safety of Maryland families and preserving the essential infrastructure that supports our communities and businesses. Communities across the state are already facing the significant costs of building climate-resilient communities and responding to natural disasters made more severe by climate change. While all communities will face some impacts of climate changes, low-income communities and communities of color are [more likely to be affected](#). **The Maryland Center on Economic Policy supports the RENEW Act because it places the responsibility for funding necessary climate adaptations on the industries most responsible, rather than on Maryland taxpayers.**

Right now, extreme weather events are driving up costs for Marylanders and contributing to the state budget crisis. To name just a few examples, Annapolis is spending over \$50 million to upgrade the city's dock due to chronic flooding, Baltimore City is paying to install air conditioning in public schools like City College because of hotter weather, Howard County is spending over \$228 million to combat flooding in Ellicott City. Nearly every jurisdiction is experiencing similar costs, and these needs are likely to grow over time.

The RENEW Act ensures that out-of-state fossil fuel companies do their part to pay for the cost of adapting to climate change, and that those companies will not be able to pass those costs onto consumers. The bill directs the state to conduct an analysis of how much climate impacts are costing Maryland, then directs the state to require large out-of-state fossil fuel companies to pay that amount to Maryland. The one-time payment will only apply to companies that have emitted more than 1 billion tons of carbon cumulatively between 1994 and 2023. That is a short list of companies, none of which are based in Maryland.

The funds from these one-time impact payments could help address Maryland's long-term budget needs and support dedicated investments in climate resilience across the state and across issue areas including health, infrastructure, fuel switching, schools, and disaster preparedness.

There are also a growing number of states pursuing this approach to addressing climate resiliency needs, and Maryland should be among them. New York and Vermont have already passed similar legislation, and California, Minnesota, New Jersey, Virginia, and Massachusetts are considering similar legislation.

Passing the RENEW Act will relieve taxpayers from rising costs and to protect Marylanders from worsening impacts of climate change. **We respectfully request the committee to make a favorable report on HB 128.**