



**The Maryland Department of the Environment
Secretary Serena McIlwain**

***House Bill 128
Responding to Emergency Needs From Extreme Weather (RENEW) Act of 2025***

Position: Informational
Committee: Economic Matters
Date: January 23, 2025
From: Jeremy D. Baker, Director of Government Relations

The Maryland Department of the Environment (MDE) is providing **INFORMATIONAL** testimony on HB 128.

Bill Summary

HB 128 would establish the Climate Change Adaptation and Mitigation Payment Program (Program) in Maryland, which mandates fossil fuel businesses to make payments to fund the state's efforts to address climate change impacts. Under the bill, MDE would be required to ensure that at least 40% of the qualified expenditures from the Program go to climate change adaptive or mitigation infrastructure projects that directly benefit communities disproportionately affected by climate change.

HB 128 sets out a ratio for cost recovery demands against and applicable shares of greenhouse gas emissions attributable to each responsible party, and allows for adjustments if certain criteria are met. Additionally, the bill directs MDE to use a portion of money from the Mitigation Fund for making grants to local jurisdictions for climate change adaptation and mitigation efforts.

Position Rationale

House Bill 128 goes further than the Maryland Commission on Climate Change's (MCCC) related recommendation published in its 2024 Annual Report. The MCCC debated a recommendation implementing the RENEW Act as a whole, but ultimately declined to recommend implementing the RENEW Act and transformed it into a study in this final recommendation:

The Commission believes that Maryland taxpayers should not have to pay the full cost of constantly escalating climate change impacts in the state from sea-level rise, severe storms, and health impacts. To protect taxpayers, the Maryland Commission on Climate Change recommends that the Maryland General Assembly commission a study of the current and projected costs of anthropogenic climate change to the State of Maryland for the purpose of joining other states in assessing a fee on major carbon polluters, one that cannot be transferred to consumers, to compensate the State of Maryland.

Accordingly, the Department appreciates the opportunity to pursue a legislative effort that would align with the final recommendation, initiate a study to realize the costs of climate change to the State, and

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explore options for assessing a fee on major carbon polluters. Unlike the recommendation, the bill as drafted does not include provisions ensuring that major carbon polluters cannot transfer the fee or cost to consumers. Finally, HB 128 would require MDE to create new regulations, procedures, and a new program that is estimated to require at least 20 staff to implement and manage.

The Maryland Department of the Environment respectfully requests the Committee consider this information during its deliberation. MDE is also available to provide additional information to the Chair and the Committee on HB 128 as needed.

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