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Education, Energy, and
Environment Committee

Chair, Joint Committee on
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB 149 - Responding to Emergency Needs From Extreme Weather (RENEW) Act of 2025

February 13, 2025

Chairman Feldman, Vice-Chair Kagan, and members of the Education, Energy, and Environment Committee:

Thank you for your consideration of Senate Bill 149, the Responding to Emergency Needs from Extreme Weather (RENEW) Act. This bill is founded on a simple premise: if you make a mess, you clean it up. The RENEW Act is a vital taxpayer protection measure that positions Maryland as a leader in building a cleaner, more resilient future while proactively addressing the increasing threats of climate change.

Climate change, driven by the production and consumption of fossil fuels, is an immediate and existential threat to the health and safety of Maryland's communities, economy, and environment. Fossil fuels are the largest contributor to climate change, producing over 75% of global greenhouse gas emissions and nearly 90% of carbon dioxide emissions, which drive rising temperatures, severe storms, droughts, rising sea levels, and various health and environmental issues.¹ In 2023 alone, taxpayers in the United States faced 28 distinct billion-dollar climate and extreme weather disasters, which caused more than \$92 billion in total damages.² These events increase in frequency and cost, disproportionately harming overburdened and underserved communities in Maryland.

Fossil fuel industries have known the dangers associated with their use long before it became common knowledge. For instance, ExxonMobil knew as early as 1977 and spent decades refusing to publicly acknowledge climate change and instead promoted climate misinformation. As a result of these climate denial campaigns and refusal to take action, Maryland is

¹ United Nations, Causes and Effects of Climate Change (n.d.), <https://www.un.org/en/climatechange/science/causes-effects-climate-change#:~:text=Fossil%20fuels%20E2%80%93%20coal%2C%20oil%20and,they%20trap%20the%20sun's%20heat>.

² Dana Drugmand, New Federal Legislation Proposes to Make Polluters Pay for Climate Change Sierra Club (2024), <https://www.sierraclub.org/sierra/new-federal-legislation-proposes-make-polluters-pay-climate-change>.

experiencing the consequences of rising sea levels, warming temperatures, and increased frequency and intensity of storms and flooding.

Climate change impacts health in a myriad of ways, resulting in the prevalence of food-borne, vector-borne, and water-related illness. Specifically, data from the Maryland hospitalization report between 2000 and 2012 shows that exposure to extreme heat increased the risk of hospitalization for heart attacks and asthma by 11% and 22%, respectively. Projections indicate these rates could rise dramatically, with heart attacks and asthma hospitalizations increasing 68.4% and 136.8%, respectively, by 2040.

Extreme weather events are becoming increasingly common, and Maryland is spending more money to respond to these events. Saint Mary's County is allocating \$950,000 annually to upgrade its stormwater management systems due to heavier rainstorms³. Annapolis is investing \$54 million to update its dock infrastructure in response to chronic flooding⁴. Prince George's County demands \$60 million annually for its Stormwater Management Enterprise Fund, absent other revenue sources⁵. Howard County is spending over \$200 million on flood prevention efforts in Ellicott City⁶. By 2040, Maryland will need \$27 billion to build seawalls in response to rising sea levels⁷. The consequences of climate change are costly, and taxpayers are currently shouldering 100% of the burden⁸.

This bill is modeled after the Polluters Pay Climate Fund Act that Senator Van Hollen first introduced in Congress and has reintroduced this year⁹. Further, states like Vermont and New York have already enacted similar successful measures through their respective Climate Superfund Act, both passed in 2024. Recently, New Jersey legislators voted to advance their own Climate Superfund Act. Modeled after these successful piece of legislation,¹⁰ the RENEW Act shifts the climate burden from taxpayers to the largest fossil fuel companies, holding them liable for the gas pollution and resulting harms they cause. These companies do not comprise Maryland's utility companies. Specifically, the RENEW Act would:

- Require the Department of the Environment (MDE), in consultation with the Comptroller and

³ CCAN Action Fund, *RENEW Act Responding to Emergency Needs from Extreme Weather* (n.d.), <https://ccanactionfund.org/renewact/>

⁴ Id., at 6

⁵ Lateshia Beachum, *Prince George's leaders weigh spending cuts as shortfall looms*. The Washington Post (January 16, 2024)

⁶ Id., at 6

⁷ Center for Climate Integrity, *High Tide Tax: The Price to Protect Coastal Communities from Rising Seas* (June, 2019), https://www.climatecosts2040.org/files/ClimateCosts2040_Report.pdf

⁸ Data for Progress, *Maryland Climate Superfund* (February 28, 2023)

⁹

<https://www.vanhollen.senate.gov/news/press-releases/in-first-action-of-119th-congress-van-hollen-reintroduces-legislation-to-make-polluters-pay-for-fueling-climate-change>

¹⁰ "Climate Change Superfund Act," S02129, not yet signed into law

the Treasurer, to conduct a study to determine the total assessment which would apply to 40 big name companies, guaranteeing objectivity.

- Then, require any company that has emitted more than a billion tons of greenhouse gas emissions since 1994 (the date the UN Framework on Climate Change went into effect) to pay a one time fee for the detrimental impacts caused by emissions. These funds would come from companies who have engaged in the trade or business of extracting fossil fuels or refining petroleum products.
- Collect funds to be held in the Climate Change Adaptation and Mitigation Payment Program within MDE, securing payments from companies such as ExxonMobil, Shell, BP and Chevron, who have emitted more than a billion tons during the covered 20 year period.
- Direct revenue to support state efforts to adapt to and mitigate the effects of climate change. This includes investments in flood management, clean energy initiatives for low-income and moderate-income households, solutions to climate related health disparities, upgrading stormwater systems, constructing seawalls, and more.

This year's bill is different from versions you have heard in the prior two years, with key improvements to enhance its constitutionality and align it with successful bills passed in New York and Vermont. Most notably, unlike previous versions, this bill does not impose a total assessment upfront. Instead, it mandates a study to determine the actual costs incurred by the state, ensuring that responsible parties pay their fair share—an approach modeled after Vermont's language. Addressing potential legal challenges, the Office of the Attorney General has affirmed that the **MDE study “will make the bill more defensible.”**

This legislation is not unprecedented. Similar legislation designed to bolster individuals and communities reeling from the impacts of climate change and hold intentional contributors accountable has a long history in the United States. The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) passed by Congress in 1980 is one example, where polluters paid \$1.6 billion over a five-year period to clean up abandoned or uncontrolled hazardous waste sites.

The RENEW Act is a guaranteed taxpayer protection bill. The bill will not raise consumer prices by passing the fee cost along to consumers because:

- The companies required to pay will still have to compete with smaller producers who do not have to pay the fee. ([Institute for Policy Integrity](#))
- The assessment would be based on historic contributions to the current stock of greenhouse gases in the atmosphere, therefore it would not affect future production costs. It would be treated as a fixed cost that would be borne by the owners of the relevant companies. ([Letter from Professor Stilgitz](#))
- The total assessments to each company will be *nominal* compared to their overall revenues. The largest, most polluting fossil fuel companies have revenues of millions to

trillions of dollars per year. The assessment will not only be a small portion of this yearly revenue, but will also be due over a 10 year period. ([No Pass Through](#))

This premise is simple, if you make a mess, you clean it up. Maryland taxpayers should not bear the costs of extreme weather. Fossil fuel companies have made record profits while escalating the climate crisis and avoiding accountability.

An amendment to the bill has been submitted for committee consideration; ensuring at least 40% of qualified expenditures from the fund shall be used for projects that prioritize communities with the highest environmental justice scores, as determined by the Maryland EJ tool.

As climate change intensifies, support for the **RENEW Act** is more crucial than ever. Every Marylander—if they haven't already—will feel its effects. With the proposed changes, this bill offers a constitutionally sound approach to keeping taxes low while investing in a stronger, more resilient future. Thank you for your consideration, and I urge a **favorable report on SB 149**.

Sincerely,

A handwritten signature in cursive script that reads "Katie Fry Hester".

Senator Katie Fry Hester
Howard and Montgomery Counties