

February 19, 2020

Testimony of Dan Nees (University of Maryland Resilience Investment) in Favor of SB457

Senate Bill 457 – Local Governments - Resilience Authorities - Authorization

Education, Health, and Environmental Affairs Committee

Position: FAVORABLE

The anticipated impacts of climate change are well documented, and the implications for communities across the State of Maryland are significant. The increased infrastructure requirements that will be necessary to adapt and thrive in increasingly difficult conditions will require financial investments well beyond current levels of implementation funding. Virtually every Maryland community will find it necessary to mitigate the risks of the climate change in some capacity in the near future. This in turn will require local governments to expand the scale and effectiveness of infrastructure financing systems and processes.

HB 539 will provide local governments with an essential financing tool for addressing climate resilience. Specifically, the bill will enable local governments to create institutions that are designed to move capital to where it is most needed, efficiently and effectively. In addition, financing authorities will enable local governments to:

- Accelerate investment into needed infrastructure through the issuance of debt-based financing tools;
- Create opportunities for expanding investment scale, specifically through the formation of local partnerships;
- Expand financing capacity and expertise;
- Ensure investment accountability through transparent governance structures and decision-making processes; and,
- Ensure flexibility and innovation through advanced, market-based procurement systems.

Financing authorities are an accepted and integral part of local, state, and federal infrastructure financing processes. In Maryland for example, financing authorities have enabled more efficient investments in stadiums, schools, transportation, and commercial and residential infrastructure development. Creating resilience authorities will build upon this established and successful system to ensure public investment is as effective as possible at addressing this extraordinary challenge.

Again, the challenges facing Maryland's communities and local governments are significant. However, the capacity to meet those challenges exists, and HB 539 will be an important tool in protecting our economic, cultural, and environmental assets into the future.