



7338 Baltimore Ave
Suite 102
College Park, MD 20740

Committee: Budget and Taxation

Testimony on: SB865 - “Public Service Company Franchise Tax - Credit for Purchase of Maryland-Mined Coal - Extension”

Position: Oppose

Hearing Date: February 26, 2020

The Maryland Sierra Club submits this testimony in opposition of SB865. Maryland should be ending state subsidies for coal mining rather than extending them for ten more years as this bill would do.

State tax subsidies for coal mining harm public health and environmental sustainability, and decrease available funds for more critical state needs, by incentivizing coal burning in Maryland. Over 85% of Marylanders live in counties that do not meet EPA healthy air standards for smog pollution. Coal-fired plants contribute to smog and high rates of asthma, especially among our most vulnerable citizens. Those plants are responsible for 44% of Maryland’s sulfur dioxide emissions, and their emissions of mercury and other toxic substances are an additional burden on public health. Coal also is a major cause of the climate crisis; in Maryland, the electricity sector is the second largest source of greenhouse gas emissions, and coal is responsible for about three-quarters of these emissions. Coal is declining as a fuel source due to less expensive alternatives; phasing out coal will save ratepayers money.

This session, the General Assembly has the opportunity to take major action to advance clean energy and protect public health by enacting bipartisan legislation (HB1545; SB887) to establish a firm timetable to retire Maryland’s six coal plants and provide transition assistance to affected workers and communities.

Continuing to directly subsidize coal mining by extending for ten more years the public service company franchise tax that benefits certain purchasers of Maryland-mined coal is unwarranted. We urge the Committee to issue an unfavorable report on this legislation.

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Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has approximately 800,000 members.