



LEGISLATIVE POSITION:

UNFAVORABLE

House Bill 583

Climate Solutions Now Act of 2021

Senate Education, Health, and Environmental Affairs Committee

Thursday, February 11, 2021

Dear Chairman Barve and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

At 52 pages, HB 583 is an extensive and dense piece of legislation proposing major changes to Maryland's policies relating to the emission of greenhouse gas. Despite the many different and worrisome proposals, the Maryland Chamber of Commerce has three primary concerns with HB 583 as introduced.

1. Maryland's existing climate plans are required to achieve the greenhouse gas reduction target while simultaneously increasing jobs and economic benefits. The current plan meets that standard and is therefore a win-win for Maryland. HB 583 changes the current standard in two ways. First, it assumes that there is a "social cost" of carbon estimated at \$50 per ton. This cost estimate means that any requirement adopted from this legislation which would result in lost jobs or lost benefits to the economy is a net positive so long as each ton of carbon reduced is less than \$50. As a result of this tradeoff, we can expect more measures to be adopted that have a negative impact on jobs and benefits. Additionally, instead of measuring jobs and benefits with or without the measures proposed, the new language compares the jobs and benefits to a "no-action scenario." It is not clear what the bill means by a no-action scenario. However, if the no-action simply means no-action by Maryland, the truth is that Maryland's contribution to global greenhouse gases is not material. If the intent is to compare jobs and economic impacts to a global climate catastrophe than any measure, no matter how draconian, will be a positive.

HB 583 essentially eliminates the requirement that the plan result in a net economic benefit to the State's economy and a net increase in jobs.

2. The bill has extensive, and extremely expensive, requirements for new and renovated commercial buildings. The proposed standards in HB 583 are much stricter than called for by international building codes and stricter than any of our nearby competing states. Placing extremely expensive requirements on commercial buildings during a time when that sector is under enormous pressure from the fallout of the COVID-19 pandemic while future recovery remains very uncertain would be a questionable policy choice.
3. Finally, HB 583 mandates much more expensive school construction and the procurement in more expensive state vehicles and buses. The costs of HB 583 are likely to be immense. Unfunded mandates like many of those in HB 583 seem to make for poor budgetary policy in a time of future fiscal uncertainty.

For these reasons, the Chamber respectfully requests an **unfavorable report** on HB 583.

