



LEGISLATIVE POSITION:

Unfavorable

House Bill 516

Climate Crisis and Environmental Justice Act of 2024

House Economic Matters Committee

Thursday, February 29, 2024

Dear Chairman Wilson 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 6,800 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and prosperity for Maryland businesses, employees, and families.

HB 516 establishes the Climate Crisis Initiative in the Maryland Department of the Environment, which would be tasked with assessing greenhouse gas pollution fees. These fees would be assessed on all fossil fuels brought into Maryland for combustion. It also permits the Secretary to add an additional fee on any escaped emissions during the extracting, processing, transport or distribution process.

HB 516 would impose a significant tax burden on Marylanders and businesses relying on natural gas and other fuels for essential daily activities, including cooking, heating, and powering businesses. This legislation also penalizes the role of natural gas in reducing greenhouse gas emissions and ensuring energy reliability in Maryland. The imposition of greenhouse gas pollution fees on fossil fuels directly translates into increased operating costs for businesses, making it challenging for businesses to compete effectively in the market. This legislation would also deter investment in Maryland's economy, particularly in industries that rely on fossil fuels or natural gas. Investors and businesses may opt to allocate resources to regions with more favorable regulatory environments.

The Chamber and its members express great concern over this proposed legislation as such changes will create an immense cost burden on Maryland employers and businesses. Additionally, among the many provisions contained in HB 516, there are direct increases to the cost of energy. HB 516 has the potential to stifle economic activity, hinder business growth, and impede Maryland's competitiveness in the broader marketplace. We urge the committee to carefully consider the implications of this legislation and ensure measures to address climate change are balanced while maintaining a conducive environment for business and economic prosperity.

For these reasons, the Chamber respectfully requests an unfavorable report on **House Bill 516**.

