

Chesapeake Bay Foundation * Environment Maryland
Maryland League of Conservation Voters * Maryland Public Interest Research Group (PIRG)

**Testimony in Support of
House Bill 338
Energy Efficient Tax Credit and Surcharge Act**

Before the House Ways and Means Committee
February 7, 2008

All Marylanders are increasingly aware of rising energy prices. Maryland has some of the highest residential electricity prices, and gasoline prices continue to skyrocket. The consumption of fossil fuels, whether to feed our cars and trucks or heat and cool our homes, is also a leading cause of both environmental and human health problems. Atmospheric pollution from electricity generation and transportation contribute as much as one-third of the nutrient pollution to the Chesapeake Bay and exacerbates health concerns ranging from respiratory illness to fish consumption advisories.

It stands to reason, therefore, that efforts to reduce energy generation and consumption, and more efficiently utilize energy both at home and on the road, would benefit consumers' pocketbooks, the health of our air and water, and the very health of Maryland's families. For these reason, the organizations listed above strongly support House Bill 338.

This simple, yet innovative legislation strives to do two things:

- 1) establish thresholds of energy efficiency for three consumer products – replacement vehicle tires, residential heating and cooling systems, and automobiles – that Marylanders can understand and utilize when considering purchase of such items; and
- 2) tie incentives to the purchase of efficient products and disincentives to the purchase of inefficient products.

This legislation will not prohibit or restrict consumer choice; nor will it require a consumer to act differently. Instead it will give consumers important information to help them make better choices about products they rely on daily and reward responsible choices by offering modest rebates against the sales and use tax when more efficient models are purchased. These rebates will largely be supported by the imposition of a modest surcharge on products that do not meet the outlined energy-efficiency thresholds.

Given the opportunity, Marylanders often choose the more environmentally-friendly of given options, even if up-front costs are a bit higher, because they care deeply about the health of their communities and their Chesapeake Bay. Energy-efficient tires and home heating and cooling systems can be more expensive than less efficient models, but their long-term energy savings can surpass these initial costs. As Maryland seeks to reduce per capita energy consumption and improve the health of its air and water resources, House Bill 338 could play a supporting role in both efforts.

We respectfully urge a favorable report from the House Ways and Means Committee on House Bill 338 – Energy Efficient Tax Credit and Surcharge Act. For more information, contact: Johanna Neumann with MaryPIRG at 410-467-9389; Brad Heavner with Environment Maryland at 410-467-0439; Liz Nelson with Maryland League of Conservation Voters at 410-280-9855; or Jenn Aiosa with Chesapeake Bay Foundation at 410-268-8816.