



CLIMATE COALITION

Montgomery County, MD

Montgomery County Council

Legislation: Bill 2-26 Taxation – Fuel-energy tax – Green Bank – Amendments

Organization: Climate Coalition Montgomery County

Position: Support

Council Hearing: February 24, 2025

My name is Kevin Walton, testifying on behalf of the Climate Coalition Montgomery County. The CCMC, composed of 20 local climate and environment advocacy groups, is focused on helping the County achieve its Climate Action Plan goals.

Council President Fani-Gonzalez, Council Vice President Balcombe and Council Members, thank you for this opportunity to testify on Bill 2-26, allowing the Montgomery County Green Bank to use their Fuel-Energy tax funds for resilience.

I want to thank Councilmembers Luedtke, Friedson and Glass for sponsoring this bill, and Council Vice President Balcombe and Councilmembers Stewart, Katz and Evans for co-sponsoring. This bill has a lot of council support, which is gratifying as this is a commonsense addition to how the Green Bank can do its work.

Resilience plays an important part in the success of the Green Bank. They will now be able to screen every clean-energy deal for resilience/adaptation opportunities such as risks to critical systems and operations, perhaps via exposure to water, heat, or flood. They will be able to proactively propose risk-reduction, water efficiency and management, and community health & well-being improvements, as well as provide resilience technical advice.

This resilience work will be supported by the Green Bank's full 10% allocation of the Fuel-Energy tax. These funds fuel the Green Bank's success. Over the years, the Green Bank generated over 230 million dollars of project investments. That's over a quarter of a billion dollars. 75% of that came from private sector investments that otherwise would not have been made. The Green Bank is currently leveraging its funds with a return of 3:1. In the coming year, they expect a return of 5:1 and a return of 8:1 by FY28. Where else do you see such an excellent return on investment?

Yet, in the county budgets for the last several years, the Green Bank was not allocated the full 10% of the Fuel-Energy Tax required by law. With their return on investment, every dollar cut has really been three dollars lost in county investment. And it will soon be five dollars lost, making these cuts much more expensive than they originally appear.

Bill 2-26 enables an additional key part of the Green Bank's effectiveness in helping the county meet the challenge of climate change. But if the funds to the Green Bank are curtailed below the full 10% allocation of the Fuel-Energy tax, this bill cannot fully deliver on its promise.

And cuts to the Fuel-Energy tax allocation also shortchanges the business community. Last year, this council passed the regulations for the Building Energy Performance Standards, BEPS. It was one of the high points of 2025, and for which the Climate Coalition thanks you. That vote was supported by council expectations to help the business community via Green Bank funding. This was essentially a promise to the business community. It was expected that the monies from the federal Greenhouse Gas Reduction Fund would play a central role here. However, we know those funds are likely never to show up.

Now, the primary way the Green Bank is going to partner with businesses to help them meet the BEPS goals is via funding by the Fuel-Energy tax.

In conclusion, the Climate Coalition strongly supports the passage of Bill 2-26. Buildings not only need to become energy efficient and eliminate greenhouse gas emissions, they must be resilient to the challenges that are already here and growing due to climate change. And to make sure this bill has real substance, we also urge the full funding of the 10% allocation of the Fuel-Energy Tax to the Green Bank in the FY27 budget.

Thank you for your time.

Kevin Walton

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