

# CLIMATE BILLS HINGE ON \$1 BIL IN TAXES, OR BORROWING

## [+AUDIO]

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STATE HOUSE NEWS SERVICE

STATE HOUSE, BOSTON, JUNE 18, 2019.....The governor and the speaker of the House -- two of Beacon Hill's most powerful figures -- saw their competing proposals to spend \$1 billion or more over the next decade fighting the effects of climate change go head-to-head Tuesday for the attention of lawmakers.

Energy and Environmental Affairs Secretary Kathleen Theoharides, testifying before the Revenue Committee with Gov. Charlie Baker, said the state has 370 miles of seawall, and thousands of culverts, small bridges, and dams that will require investment in the coming years. [Photo: Sam Doran/SHNS]

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Gov. Charlie Baker's bill would raise the state's real estate transfer tax to generate as much as \$137 million a year to help cities and towns prepare for and adjust to climate change, while Speaker Robert DeLeo's bill would borrow the money.

The contrasting approaches to the same problem will create a choice for legislators over the coming months, but on Tuesday it was welcome friction for environmental advocates who relished the focus on climate issues.

"Today, I think, is a momentous day for addressing the climate crisis in Massachusetts, where we've got two committee hearings -- I won't call them competing, they're just contemporaneous -- at this hour in this building on far-reaching climate legislation for the commonwealth of Massachusetts," Keith Bergman, retired Littleton town administrator and former president of the Metropolitan Area Planning Council, said at the hearing on the House bill.

"Massachusetts is poised to become an example for the rest of the nation by crafting a truly bipartisan approach to combating the climate crisis, and boy, do we ever need a bold, bipartisan example of something here, and why not the most important issue facing humankind?" Bergman said.

The two bills had simultaneous hearings at the State House on Tuesday before two different committees. The Telecommunications, Utilities and Energy Committee heard testimony on the speaker's bill (H 3846), while Baker went before the Revenue Committee with Energy and Environmental Affairs Secretary Kathleen Theoharides to testify for his plan (S 10).

"We are committed to substantially expanding our investment in resilient infrastructure and other adaptation strategies across the Commonwealth," Baker said.

Baker's plan is to generate new revenue to help cities and towns address their climate vulnerabilities by raising the state's deeds excise from \$2.28 to \$3.42 for every \$500 of the price of a property sale. The money would go into a Global Warming Solutions Trust Fund created last year as part of a \$2.4 billion bond bill, and augment the work already being done through the Municipal Vulnerability Preparedness program.

DeLeo's bill, filed by Telecommunications, Utilities and Energy Committee House Chair Thomas Golden, would create the GreenWorks infrastructure program and allocate \$1 billion over 10 years. Communities could apply for grants through the Executive Office of Energy and Environmental Affairs to fund installation of solar grids, electric vehicle charging stations, resiliency infrastructure and more.

Baker refused to get drawn into any competition with the speaker, telling reporters he was happy to see DeLeo put forward a climate plan and to have both bills get hearings relatively early in the two-year session.



**SHNS Audio:** [Gov. Baker, Sec. Theoharides | Revenue Committee hearing](#)

"First of all, I would never say that anything I propose is necessarily any better than anything that's proposed by anyone else in this building because in the end we are all working on best estimates with respect to what we think the right way to deal with something like this, and what will ultimately prove that out will be time and experience," Baker said.

"Good for him," the governor said of DeLeo.

David Queeley, the director of eco-innovation for the Codman Square Neighborhood Development Corporation, said the Baker and DeLeo bills complement each other and could perhaps lead to a "more comprehensive approach."

"We stand with other organizations that recognize that we need to protect communities we serve from climate change, sea level rise and extreme heat, and we recognize that we must especially protect the residents of low-income communities from displacement and housing instability while also providing them with economic opportunity," he said.

Baker and Theoharides testified before the Revenue Committee for close to 45 minutes, with the governor detailing the steps his administration has taken to address climate change and the role the state could play as a national leader in the conversation.

"As we continue to prioritize emission reductions to address the causes of climate change, we must also implement strategies to prepare for a rapidly changing climate, and once again our role is not only to protect our own communities, but to develop

solutions and policy approaches that can be shared outside the borders of our Commonwealth," Baker said.

Theoharides said the state has 370 miles of seawall along the coast, 25,000 culverts and small bridges that are aging, and 3,000 dams, of which 300 are considered "high hazard" and will require \$15 million to \$20 million in repairs over the next four years. So far, 249 of the state's 351 cities and towns have started the vulnerability planning process through the MVP program, and Baker said some are already pursuing projects, like Pittsfield where the city is replacing a "high-priority culvert" that causes flooding.

Baker said he proposed to create an "expendable trust" because it allows more flexibility than borrowing would in how the money is used. For instance, Baker said trust fund money from a real estate tax could be combined with private money or federal money to pay for multi-year projects or spent to protect private property, such as privately-owned dams.

Borrowed money, Baker said, has "very defined terms in state finance law with respect to what you can use it for."

A coalition of environmental and community groups urged the Revenue Committee to consider doubling Baker's real estate transfer tax and split the funding between climate change preparedness and affordable housing.

"Our bold new Coalition reflects the broad consensus throughout the Commonwealth that we need to take immediate, comprehensive, and significant action to address both our housing crisis and climate crisis," said Joe Kriesberg, president of the Massachusetts Association of Community Development Corporations.

At the Energy Committee hearing, real estate groups and municipal officials from communities including Boston and Lexington offered support for the House bill.

Greg Vasil of the Greater Boston Real Estate Board and Jonathan Schreiber of the Massachusetts Association of Realtors testified together on DeLeo's plan, which Schreiber said "provides the best avenue to fund and operate climate resiliency programs in the commonwealth."

"Everyone will feel the negative effects of climate change, therefore everyone should contribute to remedying the problem," Schreiber said. "Contrary to Senate Bill 10, paying for this ubiquitous problem should not rest solely on the backs of home buyers and sellers."

Dave Sweeney, chief of staff to Boston Mayor Marty Walsh, said one challenge facing many municipalities is how to make "equitable decisions" on climate resiliency without "driving up the cost of housing," and urged the committee to report out the House bill "favorably and expeditiously."

Representatives from environmental groups also spoke in support of the House bill and made suggestions they said would strengthen it. Casey Bowers of the Environmental League of Massachusetts said the Greenworks program should take environmental

justice into consideration and Deanna Morgan of the Conservation Law Foundation asked lawmakers to consider allowing municipalities to apply for grants under the umbrella of regional entities.

Rep. Mark Cusack, the co-chair of the Revenue Committee, asked the governor if all of the funding generated under Baker's bill would be used for competitive grants. Theoharides told him that the bill was "agnostic" on that issue, but the administration envisions a mix of grants and loans. Baker also told Cusack that he would be open to discussing whether the lawmakers wanted to create specific buckets of funding for different types of projects to preserve the Legislature's appropriating authority.

Baker told Co-Chair Sen. Adam Hinds he didn't know how the \$1 billion in estimated revenue over 10 years stacked up against the need in cities and towns, but offered to come back before the committee in the fall to provide an update as the administration gets deeper into the resiliency planning process with cities and towns.

"I don't see us ever getting out of the business of doing this," Baker said.

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06/18/2019