



Maryland

Department of the Environment

Larry Hogan
Governor

Boyd Rutherford
Lieutenant Governor

Ben Crumbles
Secretary

March 4, 2021

The Honorable Paul G. Pinsky, Chair
Education, Health, and Environmental Affairs Committee
2 West Miller Senate Office Building
11 Bladen St.
Annapolis, Maryland 21401

Re: Senate Bill 737 – Comprehensive Conservation Finance Act

Dear Chairman Pinsky and Members of the Committee:

The Maryland Department of the Environment (MDE) has reviewed Senate Bill 737, entitled *Comprehensive Conservation Finance Act*, and would like to offer our support for this bill.

We believe this legislation is the first comprehensive conservation finance act of its kind nationally and sets the stage for Maryland to be even more of a national environmental leader on issues such as the restoration of the Chesapeake Bay and mitigating and adapting to the effects of climate change. The bill contains multiple provisions that promote public and private financial investment in environmental projects and markets, while also meeting other important goals like environmental justice. The bill also promotes pay-for-performance procurement for environmental and conservation projects.

The key features of this legislation are:

- Greater flexibility and more opportunities to use the Clean Water and Drinking Water State Revolving Funds to match recent changes in federal law;
- Pay-for-Success Procurement that allows State agencies to buy environmental outcomes which will bring down costs for environmental restoration and compliance while increasing investment in environmental projects;
- Removing barriers to and encouraging participation in carbon markets;
- Promoting investment in environmental justice and disadvantaged communities; and
- Encouraging the use of State funding to purchase environmental outcomes from long-term or permanent projects located in the watershed

Engaging the conservation finance sector makes sense at this time of constrained State and local budgets and increasing demands for limited government funding. There is growing interest and demand for sustainable and green investment, which can generate a financial return as well as measurable environmental results. By improving Maryland's conservation finance laws, policy and markets, we will be able to attract more private investment in Maryland's environment and natural resources. This is essential if we are serious about meeting and maintaining our clean water and clean air goals. In addition to increasing demand, the changes in this legislation will drive greater efficiencies, bringing down the overall costs and accelerating the delivery of environmental restoration projects.

The Honorable Paul Pinsky

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Thank you for your consideration. We will continue to monitor Senate Bill 737 during the Committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at tyler.abbott@maryland.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Tyler Abbott", written over a horizontal line.

Tyler Abbott

cc: The Honorable James C. Rosapepe