



Larry Hogan, Governor
Boyd Rutherford, Lt. Governor
Jeannie Haddaway-Riccio, Secretary

April 1, 2021

The Honorable Kumar P. Barve
Chair, Environment and Transportation Committee
Room 251 House Office Building
Annapolis, MD 21401

The Honorable Dana Stein
Vice Chair, Environment and Transportation Committee
Room 251, House Office Building
Annapolis, MD 21401

Re: Letter of Support – Senate Bill 737 – Comprehensive Conservation Finance Act

Dear Chair, Vice Chair, and Committee Members,

The Maryland Department of Natural Resources offers its support for Senate Bill 737 as amended. This bill takes a comprehensive approach in expanding the state's ability to finance and implement large-scale conservation and restoration projects that will help protect our most treasured natural resources and mitigate impacts related to climate change.

We are all aware that public funding alone will not achieve the goals of Chesapeake Bay restoration and greenhouse gas emission mitigation. This bill takes an important step toward closing this funding gap by increasing the state's ability to leverage public dollars by encouraging private investment in water quality and carbon offset projects. By expanding revolving loans, private loans and allowing for pay-for-performance contracts, it opens the door for creative financing solutions that include private restoration capital. These measures will protect public dollars by allowing the state to pay for proven and established projects, incentivize projects that have multiple environmental benefits and encourage larger long-term projects for greater impact.

The department has already been taking a proactive approach to leverage outside funding for Bay restoration programming. For example, from 2008 to 2019, for every state dollar invested in restoration via the Chesapeake and Atlantic Coastal Bays Trust Fund, DNR has been successful at leveraging an additional \$0.43 in other public and private funds toward a restored Bay. Primarily, the department has been successful through comprehensive "natural filters" projects (ex. stream and wetland restoration) that provide multiple co-benefits in addition to pollution reduction. We believe that the actions identified in this bill will allow us to further improve our success at bringing even more, and much needed, external resources to this critical effort.

For the above reasons, the department respectfully requests the committee grant SB 737 a favorable report.

Respectfully submitted,

James W. McKitrick
Director, Legislative and Constituent Service

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