

THE CONSERVATION FUND

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February 7, 2022

Senator Guy Guzzone
Chair, Senate Budget and Taxation Committee
Senator Paul Pinsky
Chair, Senate Education, Health, and Environmental Affairs Committee
Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB0348 Conservation Finance Committee

Dear Senator Guzzone and Senator Pinsky,

The Conservation Fund believes that protecting valuable, conservable land is essential to America's environmental health and economic vitality. As a national 501 c(3) non-profit organization, our land conservation efforts make it possible for conservationists, community leaders, land trusts and government to swiftly and efficiently safeguard these properties for wildlife, recreation, historic significance or to help balance our built environment. The Conservation Fund has protected over 8 million acres nationwide. In TCF's Maryland Office, The Conservation Fund has protected close to 150,000. We typically focus on the largest and most complex projects. Our *Parks with Purpose* program focuses on some of our most vulnerable urban communities. Through equitable park development projects and a community-centered approach, we work with residents to transform and restore blighted, inner-city properties into vibrant new parks. On Maryland's eastern shore, with our sponsorship of the Harriet Tubman Rural Legacy Area, we also work to protect 28,300 acres that served as the setting for Harriet Tubman's struggles and heroism.

For our country, the Chesapeake Bay region, and Maryland to meet essential goals to protect thirty percent of our lands by 2030, to store large amounts of greenhouse gases in protected and restored forests, and to build climate resilience for our communities, we need more policy tools that will help us achieve those goals more rapidly and at greater scale. Current sources of funding will not be sufficient to meet and maintain these and related goals such as the Chesapeake Bay restoration. We need to additional sources of financing including those provided by the rapidly expanding private capital and ecosystem investment markets. This proposal if enacted, will make Maryland more attractive to these sources of financing.

SB0348, the Conservation Finance Act, is exactly the kind of policy proposal that will give us those tools. The Fund strongly supports passage of this legislation in part because it focuses on green and blue infrastructure and other nature-based policies.

While being budget neutral, the legislation creates new ways for Maryland to protect and restore carbon-storing and water-purifying forests.

For example, other states including Pennsylvania, Virginia, and California have already been using state revolving loan funds to protect forests in the headwaters of essential drinking water supplies. This legislation would give Maryland that same flexibility. Revolving loan funds can also be used for loan guarantees. Essentially a loan guarantee allows a project to get a less expensive loan from lenders; however, Maryland has almost never used its existing guarantee program. This legislation would expand the guarantee so it can be used to backstop forest

protection loans and so that nonprofits and other organizations are eligible for those loan guarantees for environmental impact bonds or green bonds. The Conservation Fund is the largest nonprofit holder of a green revolving loan fund for forest protection. There is much greater demand for our fund than we can ever meet and we know that if Maryland's program is expanded in this way, it will help partners finance more forest protection throughout the state.

The Conservation Finance Act also expands ways the state can attract voluntary carbon finance projects to Maryland. As compared to other states like PA and VA, MD has no viable or growing voluntary carbon offset markets. The legislation encourages DNR to create a working group on forest carbon that will help private landowners aggregate carbon credits across multiple properties to be able to sell those credits to voluntary buyers and takes a similar step for the MDA. The bill also allows reforestation of Maryland state forests to be used to meet the insurance or buffering requirements of voluntary carbon protocols, which will provide a small amount of private funding for forest restoration on public lands and help private landowners enhance forest protection through carbon projects.

As one of the nation's largest conservation nonprofits, we hope your committee and the General Assembly will enact SB 0348 and in so doing, establish greater priority for nature-based solutions and allow our great state to capture its fair share of growing private capital investment markets.

Sincerely,

Bill Crouch
Maryland State Director
The Conservation Fund

CCS:
Senator Jim Rosapepe
Senator Sarah Elfreth
Senator Ron Young
Senator Will Smith
Senator Mary Washington
John Griffin