



House Bill 325

Environment – Bay Restoration Fund – Use of Funds – Nutrient Credit Purchases

MACo Position: **OPPOSE**

To: Environment and Transportation Committee

Date: February 10, 2016

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **OPPOSES** HB 325. While seeking to address a valid issue, the bill's language is overly broad, vague, and in need of significant stakeholder input. A process is already underway to generate this broad basis for statutory change, and MACo believes this legislation premature in that light.

HB 325 is a departmental bill from the Maryland Department of the Environment (MDE) that would allow MDE to use monies from the Bay Restoration Fund (BRF) Wastewater Account to purchase nitrogen and phosphorus nutrient credits in support of restoring the Chesapeake Bay. MDE must adopt regulations regarding the use of BRF funds in conjunction with the Maryland Departments of Agriculture and Natural Resources.

While MACo could support a limited, one-time use of BRF funds to help "jumpstart" the pending nutrient credit trading market, the bill's provisions are broad and ill-defined. There are no limits placed on when MDE may purchase credits, what the credits apply to, and how much BRF monies MDE may use to make the purchase. These are critical details that must be addressed in advance before MACo would be comfortable supporting such a proposal.

While well-intentioned, HB 325 lacks many details that should be developed with stakeholder input. This can be done through the existing advisory workgroup within MDE or some other stakeholder gathering. MACo could then consider supporting a narrow, well-defined, one-time usage of BRF funds for the purchase of trading credits. However, in its present state and amidst these preliminary stages of the new workgroup, MACo urges the Committee to issue an **UNFAVORABLE** report for HB 325.