



## **Senate Bill 314**

### *Clean Water Commerce Act of 2017*

MACo Position: **OPPOSE**

To: Education, Health and Environmental Affairs  
Committee

Date: February 14, 2017

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **OPPOSES** SB 314. While seeking to assist in the formation of a nutrient credit trading market, the bill's language is overly broad, vague, and could potentially jeopardize a helpful local government water cleanup funding source.

SB 314 is a departmental bill from the Maryland Department of the Environment (MDE) that would allow MDE to use up to \$10 million a year 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.

MACo has been supportive of establishing a nutrient credit trading program in Maryland – giving the State, local governments, and other stakeholders another “tool in the toolbox” to help meet our Bay restoration goals. MACo also appreciates the desire to “jumpstart” such a market. However, the bill's provisions are broad and ill-defined.

There are no limits placed on when and where MDE may purchase credits or what projects the credits apply to. There is also no prioritization of the use of the monies, meaning that a highly cost-effective county or municipal project may not get funded over the purchase of a nutrient credit that yields a more modest return.

Additionally, MACo and other affected stakeholders would have no role in helping to develop regulations that will affect what has been to date a reliable source of support for local Bay restoration goals. These are critical details that must be addressed in advance before MACo would be comfortable supporting such a proposal.

While well-intentioned, SB 314 lacks many details that should be developed with stakeholder input. MACo could then consider supporting a narrow and well-defined usage of BRF funds for the purchase of trading credits. However, in its present state, MACo urges the Committee to issue an **UNFAVORABLE** report for SB 314.