



Senate Bill 314

Clean Water Commerce Act of 2017

MACo Position: **SUPPORT**

To: Environment and Transportation Committee

Date: March 22, 2017

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **SUPPORTS** SB 314 as amended. This departmental bill would authorize the Maryland Department of the Environment (MDE) to purchase nitrogen, phosphorus, and sediment load reductions using monies from the Bay Restoration Fund's (BRF's) wastewater treatment account.

As amended, SB 314 would allow MDE to purchase the reductions in FY 2018 through FY 2021. The purchases are limited to \$4 million in FY 2018, increasing to a maximum of \$10 million for FY 2020 and FY 2021. The purchases: (1) can only be made after funding any eligible costs for wastewater treatment plants to enhanced nutrient removal; (2) cannot be from the agricultural sector; and (3) must be for reductions created on or after July 1, 2017.

In addition, MDE must adopt regulations prior to the purchase of any load reductions that specify that a purchased reduction should provide the lowest cost per pound in reduction and be purchased in accordance with a competitive process. The regulations should be created in consultation with public and private stakeholders and specified State agencies. The bill also contains reporting and accounting requirements for the reduction purchases.

With the added protections described above, MACo believes SB 314 can provide some necessary flexibility into the State's efforts to restore the health of the Chesapeake Bay in accordance with the Bay's Total Maximum Daily Load requirements. The bill provides the State with another "tool in the toolbox" to help meet our Bay restoration goals. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on SB 314.