

# HOUSE BILL 1176

M4, Q4

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By: **Delegate Stein**

Introduced and read first time: February 7, 2020

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Agriculture – Maryland Healthy Soils Grant Program**

3 FOR the purpose of establishing the Maryland Healthy Soils Grant Program; establishing  
4 the purpose of the Grant Program; establishing a certain eligibility requirement;  
5 requiring the Department of Agriculture to implement and administer the Grant  
6 Program; requiring the Department to adopt certain regulations; requiring the  
7 Department to use a certain evaluation tool to calculate certain figures; authorizing,  
8 beginning in a certain fiscal year, and each fiscal year thereafter, the Governor to  
9 include in the budget bill a certain appropriation for the Grant Program; requiring  
10 the Department to report certain information to certain committees of the General  
11 Assembly on a certain date each year; requiring the Governor to offset a certain  
12 appropriation to the Grant Program to reflect the repeal of a certain sales and use  
13 tax exemption; defining certain terms; and generally relating to the Maryland  
14 Healthy Soils Grant Program.

15 BY repealing and reenacting, without amendments,  
16 Article – Agriculture  
17 Section 2–1901  
18 Annotated Code of Maryland  
19 (2016 Replacement Volume and 2019 Supplement)

20 BY adding to  
21 Article – Agriculture  
22 Section 2–1902  
23 Annotated Code of Maryland  
24 (2016 Replacement Volume and 2019 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article – Tax – General  
27 Section 11–210(a)  
28 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2016 Replacement Volume and 2019 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Agriculture**

2–1901.

(a) (1) In this subtitle the following words have the meanings indicated.

(2) “Healthy soils” means the continuing capacity of soil to:

(i) Function as a biological system;

(ii) Increase soil organic matter;

(iii) Improve soil structure and water and nutrient holding capacity;

and

(iv) Sequester carbon and reduce greenhouse gas emissions.

(3) “Program” means the Maryland Healthy Soils Program.

(b) There is a Maryland Healthy Soils Program.

(c) The purpose of the Program is to:

(1) Improve the health, yield, and profitability of the soils of the State;

(2) Increase biological activity and carbon sequestration in the soils of the State by promoting practices based on emerging soil science, including planting mixed cover crops, adopting no-till or low-till farming practices, and rotation grazing; and

(3) Promote widespread use of healthy soils practices among farmers in the State.

(d) To carry out the purposes of the Program, the Department shall:

(1) Provide incentives, including research, education, technical assistance, and, subject to available funding, financial assistance, to farmers to implement farm management practices that contribute to healthy soils; and

(2) Determine whether the Program may be implemented in a manner to enhance other State and federal programs that provide financial assistance to farmers.

2–1902.

1           (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
2 INDICATED.

3                   (2) “ELIGIBLE GRANTEE” MEANS:

4                           (I) A RESIDENT OF THE STATE; OR

5                           (II) A MARYLAND CORPORATION.

6                   (3) “GRANT PROGRAM” MEANS THE MARYLAND HEALTHY SOILS  
7 GRANT PROGRAM.

8           (B) (1) THERE IS A MARYLAND HEALTHY SOILS GRANT PROGRAM.

9                   (2) THE PURPOSE OF THE GRANT PROGRAM IS TO PROVIDE FUNDS  
10 TO ELIGIBLE GRANTEES TO ESTABLISH AND ADMINISTER HEALTHY SOILS PROJECTS  
11 THAT:

12                           (I) IMPROVE THE HEALTH, YIELD, AND PROFITABILITY OF THE  
13 SOILS OF THE STATE;

14                           (II) INCREASE BIOLOGICAL ACTIVITY AND CARBON  
15 SEQUESTRATION IN THE SOILS OF THE STATE BY PROMOTING PRACTICES BASED ON  
16 EMERGING SOIL SCIENCE, INCLUDING PLANTING MIXED COVER CROPS, ADOPTING  
17 NO-TILL OR LOW-TILL FARMING PRACTICES, AND ROTATION GRAZING; AND

18                           (III) PROMOTE WIDESPREAD USE OF HEALTHY SOILS PRACTICES  
19 AMONG FARMERS IN THE STATE.

20           (C) TO BE ELIGIBLE FOR A GRANT FROM THE GRANT PROGRAM, A PROJECT  
21 MAY NOT BE OTHERWISE FUNDED BY A FEDERAL OR STATE PROGRAM.

22           (D) THE DEPARTMENT SHALL IMPLEMENT AND ADMINISTER THE GRANT  
23 PROGRAM.

24           (E) (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT  
25 THIS SECTION, INCLUDING REGULATIONS TO:

26                           (I) DEVELOP REQUIREMENTS FOR GRANT APPLICATIONS;

27                           (II) DEVELOP A PROCESS FOR REVIEWING GRANT  
28 APPLICATIONS AND AWARDING GRANTS TO ELIGIBLE GRANTEES;

1 (III) DETERMINE A CAP FOR THE MAXIMUM AMOUNT OF A GRANT  
2 THAT AN ELIGIBLE GRANTEE MAY RECEIVE EACH YEAR;

3 (IV) PRIORITIZE THE AWARDING OF GRANTS TO PROJECTS THAT  
4 SEQUESTER CARBON IN THE MOST COST-EFFICIENT MANNER; AND

5 (V) MAKE THE AMOUNT OF A GRANT PROPORTIONAL TO THE  
6 AMOUNT OF GREENHOUSE GASES THAT THE PROJECT WILL REDUCE PER ACRE.

7 (2) TO CALCULATE AN ELIGIBLE GRANTEE'S GREENHOUSE GAS  
8 REDUCTION PER ACRE, THE DEPARTMENT SHALL USE THE COMET-PLANNER  
9 DEVELOPED BY THE U.S. DEPARTMENT OF AGRICULTURE AND THE NATURAL  
10 RESOURCES CONSERVATION SERVICE.

11 (F) BEGINNING IN FISCAL YEAR 2022, AND EACH FISCAL YEAR  
12 THEREAFTER, THE GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN  
13 APPROPRIATION OF \$300,000 FOR THE GRANT PROGRAM.

14 (G) BEGINNING JANUARY 1, 2022, AND EACH JANUARY 1 THEREAFTER, THE  
15 DEPARTMENT SHALL SUBMIT A REPORT TO THE HOUSE ENVIRONMENT AND  
16 TRANSPORTATION COMMITTEE AND THE SENATE EDUCATION, HEALTH, AND  
17 ENVIRONMENTAL AFFAIRS COMMITTEE, IN ACCORDANCE WITH 2-1257 OF THE  
18 STATE GOVERNMENT ARTICLE, ON ALL GRANTS ISSUED UNDER THE GRANT  
19 PROGRAM DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR.

20 Article – Tax – General

21 11-210.

22 (a) The sales and use tax does not apply to a sale of:

23 (1) machinery or equipment used to produce bituminous concrete **ON OR**  
24 **BEFORE JULY 1, 2020**; or

25 (2) electricity, fuel, and other utilities used to operate that machinery or  
26 equipment.

27 SECTION 2. AND BE IT FURTHER ENACTED, That the Governor shall offset the  
28 appropriation authorized in § 2-1902(f) of the Agriculture Article, as enacted by Section 1  
29 of this Act, with the funds collected as a result of the repeal of the sales and use tax  
30 exemption in § 11-210(a)(1) of the Tax – General Article, as enacted by Section 1 of this  
31 Act.

32 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June

1 1, 2020.