CAROL L. KRIMM Legislative District 3A Frederick County

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THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

<u>HB 8 – MARYLAND STRATEGIC ENERGY INVESTMENT FUND – REGIONAL</u> <u>GREENHOUSE</u>

GAS INITIATIVE – USE OF PROCEEDS FOR MARYLAND HEALTHY SOILS PROGRAM

HOUSE ECONOMIC MATTERS COMMITTEE

January 14, 2021

Delegate Carol L. Krimm

HB 8 is a reintroduction of HB 395 (2020) as amended. Chairman Davis and Subcommittee Chairman Brooks worked on the amendments to HB 395 which proved instrumental in its unanimous passage through the House. HB 395 did not have the opportunity to pass the Senate due to the early dismissal.

HB 8 provides for the Maryland Healthy Soils Program through the Maryland Department of Agriculture (MDA) be added to programs that may be funded through the Maryland Strategic Energy Investment Fund (SEIF). The purpose of the SEIF is to decrease energy demand while increasing and promoting clean energy to combat the effects of climate change. HB 8 will assist in reducing or mitigating the effects of climate change by improving the health of soils in the State. According to statute, at least 20% of the fund shall be credited to a renewable and clean energy program. The bill would add the Maryland Healthy Soils Program established under the Agriculture Article to this section and authorize \$500,000 be allocated to this program.

The Healthy Soils Program was established with the passage of HB 1063 in 2017. Among its purposes was to "(P)rovide 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." MDA indicates in the fiscal note there are currently no State funds allocated to the program. If the bill passes and the funding is made available, MDA states that it expects to use the significant majority of funding to provide financial assistance to farmers to further the adoption of healthy soil practices. The Attorney General has provided a letter of advice stating that the Healthy Soils Program is an acceptable use of funds from the SEIF. The AG letter is in your packet.

The bill does not mandate new revenue but adds this program for use of funds to farming for carbon sequestration. It is important we continue to maximize revenues to assist with activities that reverse the effects of climate change.