



MARYLAND LEAGUE
OF CONSERVATION VOTERS

March 4, 2021

SUPPORT SB 737 - Comprehensive Conservation Finance Act

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Maryland League of Conservation Voters

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The Maryland League of Conservation Voters strongly supports SB 737 - Comprehensive Conservation Finance Act, and thanks Senator Rosapepe for his leadership on this issue.

Maryland is widely recognized for its natural resources and has a long history of working to conserve and protect these resources while also maintaining the industries that rely on them. The State has created a number of funding programs to support these efforts. However, state funds are limited and the needs to improve “environmental outcomes” and reduce pollution, especially greenhouse gas emissions, continues to increase. What has become evident is that a far more effective and efficient mechanism is to facilitate the engagement of the private investment market. This is exactly what SB 737 accomplishes. It provides a long-term vision and process of how the State will achieve environmental outcomes. The financial systems created by SB 737 provide “signals” to the private investment market that Maryland is prioritizing conservation goals and creating policies to support these goals. Additionally, it creates structures, such as public-private partnerships and procurement and contractual systems that are attractive to private investors. Thereby, enabling and incentivizing more private funds directed at environmental outcomes. SB 737 also allows for mitigation practices to be eligible for financial assistance through the State Revolving Loan Fund, Chesapeake Bay Trust Fund, Drinking Water Loan Fund, and by doing so, provides incentives for the private market to engage through pay-for-success models, green bonds, and environmental impact bonds. The bill also leverages local, state and federal funds thereby creating a more attractive investment opportunity for the private sector. Additional provisions in SB 737 that we strongly support include:

- addressing water infrastructure and water quality needs by allowing and providing financing mechanisms for “blue infrastructure” including filters such as oysters, seagrass and marshes and “green infrastructure” such as forest, buffers, permeable pavers and green roofs;
- providing a mechanism for funds to be allocated to address pollution from the Susquehanna River watershed;

- allowing for a longer loan repayment period for disadvantaged communities and targeting funds to these communities;
- creating a workgroup that will develop recommendations that create systems for forest carbon sequestration programs;
- creating a task force and working group to assess procedures that could be simplified and barriers that could be removed that will result in future investments.

It is likely that by creating a comprehensive approach and financial opportunities to support environmental outcomes that Maryland could attract private conservation investment funds from a wider geographic area and set Maryland up as a leader in the conservation finance arena as well as make significant strides to protect our natural resources.

Maryland LCV urges a favorable report on SB737.