

February 24, 2021

The Honorable Kumar P. Barve  
Environment & Transportation Committee  
House Office Building, Room 251,  
6 Bladen St., Annapolis, MD, 21401

**RE: Support (HB 991 Natural Resources – Forest Mitigation Banks – Qualified Preservation)**

Dear Chairman Barve:

The Maryland Building Industry Association, representing 1,100 member firms statewide, appreciates the opportunity to participate in the discussion surrounding **HB 991 Natural Resources – Forest Mitigation Banks – Qualified Preservation**. MBIA **Supports** the proposal.

This bill would codify the use of qualified preservation in a forest mitigation bank of all or a part of certain existing forests as a standard for meeting afforestation or reforestation requirements. MBIA respectfully supports this measure. The recent Attorney general opinion threw into doubt whether existing forest could be used as part of a mitigation bank. Allowing the use of existing forest as a mitigation bank preserves the highest value environmental site rather than new growth. Environmental data shows that older growth forest is more ecologically beneficial than new growth forest. Allowing developers to preserve older, more established and diverse ecosystems will have a greater environmental impact than forcing them to preserve new forest.

Currently forest banks that contain existing forest:

- must be placed in a forest conservation easement that protects the forest perpetuity.
- is often provided years before it is ever needed or sold for mitigation credit. No other mitigation option is provided ahead of time.
- Is required to be purchased at a rate that is twice as much as the mitigation required (2:1). Planting is only credited at 1:1

Disallowing existing forest to be banked will likely increase forest loss within the State by removing a key financial incentive to preserve forest. The majority of existing forests within the State is on private land. The majority of mitigation bankers are individual property owners who are incentivized to protect this forest by providing them with a supplemental source of income.

Finally, it is important to note that not all credit purchased from mitigation banks is to offset forest clearing. Highly urban sites in need of redevelopment in County's that do not exempt redevelopment such as Montgomery County (unless very specific criteria are met) trigger an afforestation threshold that is usually satisfied by purchasing forest banking credits. Since forest banking is set based on market rate constraining the supply will increase the cost of purchasing banking credits. If forest banking gets more expensive than redevelopment in Montgomery County gets more expensive impacting housing affordability.

For these reasons, MBIA respectfully requests the Committee give this measure a FAVORABLE report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee