



CHESAPEAKE BAY COMMISSION

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Written Testimony

Bill Number>Title: SB 737 / Comprehensive Conservation Finance Act
Committee: Environment and Transportation
Hearing: March 30, 2021
Position: Support

Background

The Chesapeake Bay Commission is a tri-state legislative commission created by law in Maryland, Pennsylvania and Virginia to advise the members of the three general assemblies on matters of watershed-wide concern. Its fundamental purpose is to assist each assembly to develop legislation and policies that foster the collaborative and practical restoration of the Chesapeake Bay and its watershed.

Position

The Commission supports SB 737. The bill would codify a suite of finance-related changes in Maryland law to help advance the restoration of the Chesapeake Bay watershed, some key provisions from that perspective are as follows:

- 1) MDA could not limit or prohibit a participant in the Maryland Agricultural Water Quality Cost-Share Program (MACS) from receiving compensation from greenhouse gas (GHG) markets, carbon credits, or soil carbon programs, if the purpose of the compensation is to achieve additional conservation benefits that are consistent with the State's Chesapeake Bay conservation goals. This will help incentivize the implementation of ag BMPs, which are the key to achieving our Watershed Implementation Plan goals.
- 2) The protection of source watersheds, including the conservation of forests and blue or green infrastructure, would be eligible for the same forms of financial assistance as other water collection and treatment infrastructure.
- 3) The current restriction that revolving load funds may guarantee only local government financing for the cost of a wastewater facility would be removed, and fund uses are expanded to include loans for source water protection, green infrastructure, and other Bay-positive outcomes.
- 4) The use of Drinking Water Revolving Loan Funds for nonpoint source pollution reductions and land conservation would be expanded in a way that is helpful to Bay conservation efforts.
- 5) A framework for pay-for-success contracting would be established, a contracting approach increasingly used in the environmental space. These contracts are a performance-based procurement method through which an agency contracts with an organization to deliver services or commodities in exchange for payment based on the achievement of outcomes.

These provisions collectively would help support financing the restoration of the Bay watershed.