



Montgomery County

Office of Intergovernmental Relations

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HB 814

DATE: February 23, 2022

SPONSOR: Delegate Shetty

ASSIGNED TO: Environment and Transportation

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POSITION: Support (Montgomery County Department of Environmental Protection)

Environment – Statewide Green Business Certification Program

House Bill 814 requires the Maryland Department of the Environment (MDE) to establish and administer a Statewide green business certification program. The program must recognize businesses that operate in a manner that reduces their environmental footprint and provide consumers with a way to identify businesses that have been certified as green businesses.

Montgomery County Department of Environmental Protection (MCDEP) is excited by the prospect of the State creating a voluntary Green Business Certification Program (like Montgomery County's) to complement the existing Maryland Green Registry, managed by MDE. It is possible the two programs can be merged into one to create two tiers. The Green Registry could serve as a foundational program and on-ramp to a certification program involving third-party verification for green business leaders wanting to take their day-to-day environmental practices to the next level.

For such a two-tiered program to be successful, the certification program should be distinctly more robust than the Green Business Registry. This difference will provide an incentive for businesses to pursue certification and be recognized for their more ambitious efforts.

Additionally, the program must be fully funded to ensure a comprehensive operation that meets the expectations of the business community seeking certification. MCDEP stands willing to work with MDE to help develop and, where feasible, implement a statewide program when this bill is signed into law.

Regardless of the precise arrangement, there are a number of benefits to a Statewide Green Business Certification Program:

- **Utilization of Third-Party Expertise** – The Montgomery County Green Business Certification is an “umbrella” program in which the County

automatically recognize businesses certified through any of 10 robust third-party standards. The County does not have specific expertise in sectors like commercial cleaning or greening a restaurant, so it simply relies on these third parties to conduct verification and provide businesses with guidance. There are no costs to the County, and the third-party organizations are paid by the business pursuing certification.

- **Flexibility** – The County continually adds new third-party standards. A few years ago, the County decided to add organic farms; three years ago the County became aware of a very high standard for organic textiles after an organic mattress producer opened a showroom in the County. Similarly, the State can continually add third-party standards.
- **Cascading Benefits** – With a third-party certification program, jurisdictions can establish programs that incentivize businesses to pursue ambitious sustainability goals. In Montgomery County, certified green businesses in its vendor database get a green business designation which allows procurement officials to narrow their vendor search by using a green screen. In Prince George’s County, which has a program like Montgomery County, certified green businesses can get a property tax benefit.
- **Drives B to B Commerce** – Businesses seek out other businesses that share their values. Being able to easily identify corporate sustainability leaders through a State certification program, would, for example, drive a Green Seal certified cleaning company to seek out a Certified Green Restaurant to cater their board meeting. Similarly, that Certified Green Restaurant might seek out a local farm for its organic fruit, vegetables, etc.
- **Accelerate Development of the Green Economy** – Establishing a Statewide green business certification program will help drive demand for green products and services. This, in turn, will help establish Maryland as a green business destination and bolster a fundamentally important engine of our economic development.

MCDEP supports House Bill 814 and respectfully urges a favorable Committee report.