



Maryland

Department of the Environment

Larry Hogan
Governor

Boyd Rutherford
Lieutenant Governor

Ben Grumbles
Secretary

March 9, 2022

The Honorable Kumar P. Barve, Chair
Environment & Transportation Committee
House Office Building, Room 251
Annapolis, Maryland 21401

Re: House Bill 1372 – Environment – Green Infrastructure Rebate Program - Establishment

Dear Chair Barve and Members of the Committee:

The Maryland Department of the Environment (MDE or the Department) has reviewed HB 1372, entitled *Environment – Green Infrastructure Rebate Program – Establishment* and would like to offer our opposition to this bill.

HB 1372 requires the Department to create a Green Infrastructure Rebate Program (the Program) to provide private property owners and nonprofit organizations an incentive to invest in stormwater management practices and help Maryland meet stormwater pollution reduction goals under the Clean Water Act. The Program is to be administered by the Department in collaboration with any county that elects to participate. The authority to administer the Program can be delegated to a participating county. While the Department is supportive of efforts to incentivize counties, homeowners, businesses, and nonprofits to undertake voluntary efforts to install green infrastructure, the fund source identified to provide these rebates, the Maryland Clean Water Fund (the Fund), does not have the capacity to support these rebates given its current use to support essential Departmental regulatory, permitting, and enforcement functions. Any diversion of funds from these key functions will have negative impacts on the protection of the environment and public health.

As the bill is currently drafted, the state portion of any rebate authorized under the Program is to be 60% of the cost of practice with the participating county portion to be 40%. To receive the rebate the property owner must apply prior to the construction of the practice. The practice must be approved by the Department or participating county, if delegated, before it is constructed. The Department or the delegated participating county must verify the practice was constructed, verify the cost of the practice, and enter into an agreement or contract with the applicant for follow-up inspections and maintenance. Residential properties may not receive more than \$4,000 in rebates under the Program. Commercial properties, multifamily dwellings, Homeowner Associations, condo associations, civic associations, or nonprofits may not receive more than \$20,000 in rebates under the Program. A nonprofit may receive annual rebates of up to \$20,000 for green infrastructure projects that the Department or a county approves as an eligible use of the funds and are located on public property. This bill would severely impact the financial health and stability of the Fund and MDE's ability to fund its own regulatory, permitting, and enforcement functions.

The Department or a participating county must maintain a list of certified contractors on a publicly available website. In addition, the Department must adopt regulations to establish best practice guidelines and eligibility criteria. Both the participating county and the Department must report annually on applications received,

denied, total amount of rebates issues, and number of approved projects by type. The Department must also report on the number of contractors completing certification training if offered.

MDE's Water and Science Administration (WSA) is responsible for developing and implementing design guidance and regulations for stormwater management in Maryland and would establish the best practice guidelines for the Program. Additionally, WSA would develop and implement the contractor certification training program outlined in the bill. The costs to develop this training program would also negatively impact the Fund as the development of the program would include the creation of training materials and an online training course that includes testing and certification. The cost estimate for developing the course and application is approximately \$45,000 with periodic maintenance required.

While the Department currently has adequate and sufficient staff and resources to conduct its mission effectively and efficiently, any additional legislatively-mandated program, such as this, could hamper our efficiency, force us to divert resources away from current core competencies, and could disrupt customer service and/or diminish services.

Thank you for your consideration. We will continue to monitor HB 1372 during the committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or at tyler.abbott@maryland.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Tyler Abbott", with a long horizontal line extending to the left.

Tyler Abbott

cc: The Honorable Mary A. Lehman