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MAYOR

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HB 921

March 2, 2022

TO: Members of the House Environment and Transportation Committee

FROM: Natasha Mehu, Director, Office of Government Relations

RE: House Bill 921 – Chesapeake and Atlantic Coastal Bays 2010 Trust Fund – Use of Funds (Chesapeake Bay Lockbox Protection Act of 2022)

POSITION: SUPPORT

Chair Barve, Vice Chair Stein, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 921.

HB 921 would establish a Chesapeake & Atlantic Coastal Bays 2010 Trust Fund to provide financial resources for certain nonpoint source pollution control projects in the State; and prohibit the transfer of funds in the Chesapeake & Atlantic Coastal Bays 2010 Trust Fund to the General Fund or a special fund of the State. This bill is a Constitutional Amendment to create a lockbox protection on the Trust Fund.

The Chesapeake & Atlantic Coastal Bays 2010 Trust Fund was actually established in 2008 and funded with a portion of revenues from the motor fuel tax and sales and use taxes on short-term vehicle rentals. The purpose of the Trust Fund is to provide the financial assistance necessary to advance Maryland's progress in meeting the goals established in the 2014 Chesapeake Bay Watershed Agreement for the restoration of the Chesapeake Bay and its tributaries, including the Patuxent River, and to restore the health of the Atlantic Coastal Bays and their tributaries by focusing limited financial resources on nonpoint source pollution control projects in all regions of the state. Monies are also used for the 5 Million Trees Program and the Department of Natural Resources receives funds to assist with their forest services. Over the years, however, monies from the Trust Fund have been shifted into the General Fund, for purposes other than the original intended uses. A Constitutional Amendment means that Trust Fund monies will be used for the implementation of nonpoint source pollution control projects to comply with State and local watershed implementation plans.

Baltimore City believes small businesses that work on projects supported by the Trust Fund will benefit from this legislation by having more opportunities to participate because the funding levels will be stabilized. The State will see more money annually in the fund when transfers are prohibited and local governments will find more competitive grants available for their projects. In addition, the legislation is specific that an allocation or use of funds in the Trust Fund for a county, a municipality, or Baltimore City, in accordance with the Department of Natural Resources Article, will not be impacted by this legislation.

For the above-stated reasons, we respectfully request a **favorable** report on HB 921.