



February 22, 2023

The Honorable Brian J. Feldman, Chair
Education, Energy, and the Environment Committee
Miller Senate Office Building, 2 West
Annapolis, MD 21401

Unfavorable: SB 743 – Climate and Labor Equity Act

Dear, Chair Feldman and Committee Members:

The NAIOP Maryland Chapters representing more than 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate, recommend your unfavorable report on SB 743.

SB 743 prevents the Maryland Department of Environment (MDE) and other agencies from taking regulatory actions and issuing decisions related to activities in overburdened communities, as defined in the bill, without first evaluating and making determinations about how the action may affect climate, labor, employment, and environmental justice.

While we recognize the legitimate concerns about redevelopment and gentrification, on balance we believe the activities of our member companies are a catalyst for positive economic and environmental change.

The scope of permits called out in the bill is very broad applying to intense activities like waste-water treatment plants but also to relatively minor activities like restaurant grills, heating boilers, backup power generators, automobile repair facilities, dry cleaners, grading and stormwater permits that are administered by MDE.

For these minor activities it is unlikely the bill would result in greater environmental protections or pollutant reductions than have been achieved using the permit review and technology based environmental management practices currently employed by MDE and local government agencies.

The geographic scope is hard to determine. Regulated entities would have a difficult time knowing whether their activities are in an area that is subject to the bill's provisions.

The requirements of the bill, which include calculating potential future impacts and cumulative, are beyond the technical capabilities of MDE and other agencies. The authority for MDE to make permit decisions based on such speculative analysis is questionable.

For these reasons, NAIOP respectfully recommends your unfavorable report on Senate Bill 743.

Sincerely,

A handwritten signature in blue ink, appearing to read "T.M. Ballentine".

Tom Ballentine, Vice President for Policy
NAIOP Maryland Chapters -*The Association for Commercial Real Estate*

cc: Education, Energy and the Environment Committee Members
Nick Manis – Manis, Canning Assoc.