



March 6, 2023

The Honorable Kumar P. Barve, Chair
House Environment and Transportation Committee
House Office Building, Room 251
6 Bladen St., Annapolis, MD 21401

Unfavorable – HB 840 – Climate, Labor, and Environmental Equity

Dear, Chair Barve and Committee Members:

HB 840 prevents the Maryland Department of Environment (MDE) and other agencies from taking regulatory actions and issuing permits in overburdened communities without first evaluating and making determinations about how the action may affect future climate, labor, employment, and environmental justice conditions.

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 HB 840 based on the following considerations:

- The scope of permits called out in the bill is very broad applying to intense activities like waste-water treatment plants and hazardous waste facilities but also to relatively minor activities like restaurant grills, heating boilers, backup power generators, grading and stormwater permits. The bill and its provisions do not differentiate between permitted activities based on the intensity of use. We do not see why these types of activities are included in the scope of the bill.
- On balance we believe that redevelopment in underserved communities is a catalyst for positive economic and environmental change. The requirements of HB 840 would present a disincentive to development projects in the areas of the state that already struggle to attract private investment.
- For minor activities it is unlikely the bill would result in greater environmental protections and pollutant reductions than have been achieved using the permit review and technology based environmental management practices currently employed by MDE and other government agencies.
- The geographic scope is hard to determine and can change. 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 and cumulative impacts, are difficult to accurately analyze and the authority for MDE to make permit decisions based on such speculative analysis is questionable. The costs and time required for permit review and conditions for approval would vary widely and are unpredictable.

For these reasons, NAIOP respectfully requests your unfavorable report on HB 840.

Sincerely,

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

cc: Environment and Transportation Committee Members
Nick Manis – Manis, Canning Assoc.