

March 1, 2023

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

RE: MBIA Letter of Opposition HB 723 Natural Resources – Forest Preservation and Retention

Dear Chairman Barve:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 723 Natural Resources – Forest Preservation and Retention**. MBIA **Opposes** the Act in its current version.

This bill amends the definition of “Priority Forest” to add thousands of additional forest acres definition. Currently across the State of Maryland mitigation banks are becoming less and less available. New banks stopped being established after the passage of HB 991 in 2021 which means that the amount of mitigation banking available to developers is decreasing. This bill would increase the required mitigation to 2:1 and up to 8:1 for projects that impact priority forest which includes “contiguous forest” a term that has no defined threshold . This requirement would be impractical to meet for on-site mitigation and it will quickly require that projects use the available forest mitigation banks. This will force projects to move to paying a fee-in-lieu of mitigation driving up the cost of housing while Maryland struggles to bring down prices and make housing more accessible to residents of the state.

The bill also amends the location requirements for new mitigation banks based on preservation. Nearly all rural and agricultural areas will be off limits for these types of mitigation banking. The bill requires that qualified conservation not must be established in areas where subdivisions are not allowed and where state or local laws prohibit subdivisions. This prohibits nearly all of the Prince Georges County Rural and Agricultural areas for tree banking Taking away an important incentive currently in place to preserve large tracts of forest by unregulated entities.

The new requirements are designed to promote forest conservation in counties where the majority of the state population resides even though the recently released forest technical study showed that the forest has stabilized statewide while the population grew during the time frame studied. We should target development to where its needed. Maryland currently faces an estimated 120,000 housing unit shortage and we should incentivize development in the areas in which the majority of the population wants to live as long as it can be done by expanding forest in areas in which it is feasible to expand. As it stands this bill could halt numerous projects already in development providing desperately needed housing stock. The bill contains no transition or grandfathering language which will force projects to re-work and resubmit their forest conservation plans adding additional time and expense to the project.

For these reasons, MBIA respectfully requests the Committee adopt the proposed amendment and give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee