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Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

March 6, 2025

BILL NUMBER: House Bill 506 - First Reader

SHORT TITLE: Chesapeake Bay Legacy Act

DEPARTMENT'S POSITION: SUPPORT WITH AMENDMENTS

EXPLANATION OF DEPARTMENT'S POSITION

The Department supports House Bill 506 with amendments. This omnibus legislation builds on years of legislative efforts to restore the Chesapeake Bay while recognizing the need to push comprehensive policy actions ranging from agriculture to aquaculture. The bill formalizes the partnership between the Department and its sister agencies in pushing these policy solutions in a manner that continues to contribute to Maryland's economy and environment.

Through this legislation, DNR will be able to create new opportunities for farmers to engage in regenerative agriculture practices and traditions on DNR-owned lands. Regenerative agriculture enhances the land and ecosystem by improving soil health, restoring biodiversity, mitigating climate change impacts, and providing community benefits. This new authority will ensure that public lands can serve as a place for farmers to practice these techniques and provide a model to other farms in the state.

This legislation will formalize a water quality monitoring program within the Department that aligns with the latest recommendations of the Chesapeake Bay scientific community to provide consistent water quality and habitat monitoring data and assessments. By better integrating data into planning processes, the Department will be able to match restoration solutions and management actions in areas where Marylanders interact most with the Bay, coastal bays, and their watersheds.

Maryland's shellfish aquaculture has an estimated economic impact of more than \$13 million annually. In each of the past three years, the state has seen record aquaculture harvests of more than 90,000 bushels. This legislation will streamline aspects of the aquaculture lease review process, allowing leaseholders to continue operations while they await permit renewals and continue to support this growing and viable industry.

Scientifically-based fishery management planning is integral to maintaining sustainable fisheries for balanced ecological and economic benefits. Currently, Maryland is limited to preparing fishery management plans only for those fisheries specifically listed in the statute. This legislation will allow the Department to be adaptive to climate change and develop plans for new species or adjust management measures to allow for new fisheries dynamics as a result of climate change. The bill will also close a gray area in current Maryland law to allow interested commercial anglers and fish processors to pursue the practice of "ikejime," a method of processing fish that is considered humane and protects the quality of the meat by killing fish quickly.

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Lastly, this legislation amends provisions of the Whole Watershed Partnership in order to bring together the State Management Teams and project sponsors for the purposes of expediting the permit process while meeting all State and Federal requirements. This change will create a general restoration process for State agencies to support restoration efforts and move projects into the construction phase as quickly as possible.

BACKGROUND INFORMATION

Maryland, the other five states that share the Chesapeake Bay Watershed, the District of Columbia, the federal government, and the Chesapeake Bay Commission, have been formally partnering to restore Chesapeake Bay for the benefit of all our citizens for over four decades. Much progress has been made, but much work remains to be done.

In 2023, the partnership's Scientific and Technical Advisory Committee issued the "Comprehensive Evaluation of System Response" (CESR) Report, which represents the most extensive and peer-reviewed technical assessment to date of which policies are working, which are not, and made recommendations going forward based on the most recent scientific assessment available. Maryland responded in 2024 by passing the "Whole Watershed Act", which applied many of the recommendations of the CESR Report, particularly those focusing on how jurisdictions can more effectively fund and implement bay restoration projects.

This Session's Bay Legacy Act takes the next logical step by implementing a variety of remaining recommendations of the CESR Report focused on more effectively engaging, working with, and supporting Maryland's citizens in bay restoration, particularly those who interact with and benefit from the bay on a day to day basis - farmers, watermen, aquaculturists, scientists, restoration specialists, etc.

BILL EXPLANATION

This bill makes a wide array of statutory changes as it relates to the restoration of farms within and on the waters of the Chesapeake and Atlantic Coastal Bays.

On agriculture this bill will:

- Create a new Subtitle in the Agriculture Article, to establish the "Maryland Leaders in Environmentally Engaged Farming (LEEF) pilot program within MDA that will create new incentives to perform conservation practices on farms.
- Authorize the Department of Natural Resources to lease our land to those that increase healthy soils and practice regenerative practices and traditions - and also provide that those leases have a longer lease life than DNR's typical leases.
- Update definitions in Maryland's Healthy Soils Program under Agriculture Article, 2-1901 to include 'Regenerative Practices and Traditions' in the Healthy Soils definition. This change will recognize the importance of adaptive land management practices that improve soil health and water quality, recognize our original land stewards of Indigenous and African origin, and promote culturally important food and climate justice programs and initiatives.

On fisheries management this bill will:

- Incorporate new provisions to the licensure requirements under Health Article, 21-305 that will provide a pathway for some fish processors to adopt a Japanese processing practice for high-quality fish known as Ikejime.
- Update Natural Resources Article, 4-215, to ensure that conservation and management measures adopted under an FMP take into account environmental factors such as climate change. The provisions maintain consultation with existing advisory boards while allowing greater flexibility for the Department to address emerging markets and changing populations.

On water quality monitoring this bill will:

- Establish a Water Quality Monitoring Program in Natural Resources Article, 3-1101, to formalize the Departments' water quality monitoring work and incorporate policies that will direct monitoring efforts to align with scientific recommendations and target management actions.
- Amend the Natural Resources Article, authorize oyster restoration projects funded in whole or in part by the Department of Natural Resources to be eligible to generate water quality trading credit.

On aquaculture this bill will:

- Update Natural Resources Article, 4-11A-09, to reform the oyster lease protest process and allow the Department to better manage potential aquaculture lease protests by 1: giving leaseholders the ability to continue operations while they wait for permit renewals, 2: requiring the applicant and protestant to participate in mediation prior to transmitting a protest to the Office of Administrative Hearings and 3: provide interested potential protestants of a lease application seven days to protest after the informational hearing in order to provide additional information that may limit the number of protests.

On restoration, this bill will:

- Amend the Whole Watershed Program in Natural Resources Article 8-2B-02, in order to require the Whole Watershed State Management Team to assist in developing a coordinated permit process for each selected project in order to expedite permit review and implementation.

The Department coordinated with the Administration to propose specific amendments to the fisheries management provisions that would:

- (1) Keep the requirement that Maryland prepare plans for the seven non-ASMFC managed species;
- (2) Add that ASMFC species must be managed in accordance with ASMFC plans and the Maryland-specific supplements to those plans;
- (3) Spell out the four advisory bodies (Sports Fisheries Advisory Commission, Tidal Fisheries Advisory Commission, Oyster Advisory Commission, and Aquaculture Coordinating Council) in the text explicitly; and
- (4) Change the terms "angler" and "fisherman" to "commercial and recreational fishing participants".