



Senate Bill 781

Date: March 3, 2026

Committee: Education, Energy, and the Environment

Position: Unfavorable

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

Senate Bill 781 (SB 781) introduces an additional environmental review requirements for certain permits issued by the Maryland Department of the Environment (MDE). The bill applies to permits associated with facilities located in or near environmental justice areas and other specified sources, including power plants and concentrated animal feeding operations. SB 781 requires MDE to consider whether a permitted activity may contribute to increased environmental or public health burdens and authorizes the Department to deny permits based on those findings. The bill also introduces enhanced enforcement provisions, including increased penalties for covered facilities, and contemplates additional analysis of cumulative impacts associated with permitted activities. SB 781 applies to both permit renewals and new permits.

We recognize and support the importance of addressing environmental justice concerns and ensuring that all Maryland communities are protected from disproportionate environmental and public health burdens. However, as drafted, Senate Bill 781 raises significant concerns regarding permitting certainty, regulatory clarity, and the already lengthy timelines associated with Maryland Department of the Environment permitting processes. Maryland's environmental permitting system already involves extensive technical review and multiple procedural requirements, and businesses frequently experience lengthy timelines for permit processes. Adding additional cumulative burden analyses and expanded procedural requirements mandates without clearly defined standards or timelines will likely further lengthen permit timelines and increase administrative backlogs.

The bill establishes a cumulative burden review framework without clearly defining key terms or providing objective, measurable standards to guide decision-making. The absence of a definition for "compelling public interest," along with unclear methodology, thresholds, and mitigation standards for cumulative impact analyses, creates significant uncertainty. Without clearly defined scope, data sources, and technical criteria, reviews risk becoming subjective, inconsistently applied, and a source of additional delay. There are also concerns about whether MDE has the

resources to conduct such analyses across a broad range of permit types in a timely manner. As drafted, the bill grants broad discretionary authority, making outcomes difficult to predict, increasing the likelihood of litigation and appeals, and potentially creating uncertainty for long-established facilities across large portions of the state.

Senate Bill 781 also represents a significant shift from a compliance-based permitting framework to a broader discretionary denial standard based on cumulative community impact. Facilities that meet all applicable environmental laws and regulatory requirements could nonetheless face denial if a compelling public interest is not demonstrated. Such a shift creates legal and financial uncertainty for existing operations that have long complied with Maryland's environmental standards. Many of these facilities are located in historically industrial areas and are critical to energy supply, manufacturing, transportation, and logistics networks across the State. Increased permitting risk may deter modernization projects and infrastructure upgrades that would otherwise reduce emissions and improve environmental performance.

Finally, the Chamber has concerns with the bill's penalty provisions, including a proposed 75% penalty escalator for covered facilities. While enforcement tools are important, this escalation appears excessive, particularly given the uncertainty surrounding the bill's scope and definitions.

While the Chamber appreciates the intent behind SB 781, we are concerned that the bill, as drafted, would further strain Maryland's permitting system, inhibit economic development, and discourage investment without providing sufficient clarity or guardrails for implementation. Should this legislation move forward, significant amendments will be necessary to better define key terms, clarify applicability, establish reasonable timelines, and ensure alignment with existing permitting frameworks.

For these reasons, the Chamber respectfully requests an **unfavorable report** on **SB 781**.