

# **SB 228 MES SUPPORT.pdf**

Uploaded by: Jeff Tosi

Position: FAV



Wes Moore GOVERNOR

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Charles Glass, Ph.D., P.E. EXECUTIVE DIRECTOR

February 21, 2026

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

Re: Senate Bill 228 – Maryland Environmental Service - Authorizations and Requirements - Alterations

Dear Chair Feldman and Members of the Committee,

The Maryland Environmental Service (MES) supports SB 228, which is MES's departmental bill for the 2026 session. MES is proposing three changes to its authorizing statute. These changes address several areas where MES's statute is outdated or inconsistent with current practice.

1. **Small Procurement Threshold Increase:** In Natural Resources Article § 3-103(g), MES has a small procurements threshold of \$25,000. This is inconsistent with other units of state government. In 2023, the State's small procurement threshold was raised to \$100,000. MES is requesting to raise its small procurement threshold to \$50,000.

Because of the nature of its structure and operational mission, MES is mostly exempt from Division II of the State Finance and Procurement Article. In the 2023 session, the small procurement threshold was increased to \$100,000. MES was overlooked in that effort. Raising this threshold to \$50,000 will increase organizational efficiency without sacrificing transparency or competitiveness in contracting with vendors. In FY 25, the total dollar value of contracts and purchase orders between \$25,000 and \$50,000 is just 3.2% of the total dollar value of all contracts and purchase orders above \$25,000 at MES. Meanwhile, the number of contracts is approximately 26% (85 of 327 contracts and purchase orders were between \$25,000 and \$50,000). The MES Statute still requires Purchase Orders and Contracts between \$25,000 - \$200,000 to go to the MES Board of Directors. None of the notification and approval processes change as a result of this change.

2. Board Treasurer – Delegation of Responsibilities: In Natural Resources Article § 3-103(e), the Treasurer of the MES Board of Directors is directed to perform several financial responsibilities and is further authorized to delegate the responsibility of disbursing monies in furtherance of the purposes of the Service as authorized by law. The change being proposed in this bill is to expand the scope of the duties and responsibilities the MES Board Treasurer may delegate to the Deputy Treasurer.

The Board Secretary and the Treasurer both have the ability to delegate responsibilities, with the approval of the full Board, to a Deputy Secretary and Deputy Treasurer. While the Board Secretary can delegate all of the statutory responsibilities to the Deputy Secretary, the Board Treasurer may only delegate the responsibility to disburse money. The bill requests that this language be expanded to allow the Board Treasurer to delegate, similar to the Board Secretary, all of the statutory responsibilities. The Board Treasurer and Secretary maintain final say on these responsibilities.

3. Service District Rate Change Notification Requirement – Modernization: In Natural Resources Article § 3-106, MES is authorized to establish service regions for water, wastewater or solid waste. NR § 3-108 requires MES to perform certain actions when establishing or altering rates in these service districts. The current requirements were established in 1995 and need to be updated to reflect modern forms of communication and the changing landscape of newspapers of general circulation.

Creating a service district requires that MES establish charges for providing the service in order to recover its costs. In the creation (or alteration) of these charges, MES's statute has very strict and outdated advertising requirements: hold a public hearing and advertise the charges in a newspaper of general circulation within the service district subject to the strict conditions outlined below:

“The published notice shall be at least ¼ page in size, and use at least 18-point type. The notice may not be placed with legal notices or classified advertisements. The headline of the notice shall be in bold print, with all letters capitalized. The text of the notice, other than the headline, shall be in upper and lower case letters.”

The proposal would modernize our notice requirements to account for other methods of communication, while still keeping the requirement to hold a hearing and place an advertisement in a newspaper of general circulation.

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# **ACEC\_MD - Senate Bill 228 - Maryland Environmental**

Uploaded by: Maria Donovan

Position: FWA



January 21, 2026

The Honorable Brian Feldman, Chairman  
Senate Budget and Taxation Committee  
Miller Senate Office Building, 2 West Wing  
11 Bladen Street  
Annapolis, MD 21401

**Re: Senate Bill 228 - Maryland Environmental Service - Authorizations and Requirements - Alterations**

Position: **Favorable with Amendments**

Chairman Feldman & Committee Members:

Chair, Vice Chair, and Members of the Committee, thank you for the opportunity to submit testimony on Senate Bill 228 on behalf of the American Council of Engineering Companies/Maryland.

SB 228 expands the authority of the Treasurer of the Maryland Environmental Service (MES) and increases the dollar threshold under which MES may use the small procurement process from \$25,000 to \$50,000, while also altering how notice is provided for rates charged for MES projects, products, and services. While these changes may appear technical, they have real competitive implications in a sector where MES has moved far beyond its original, quasi-governmental mission of filling gaps in environmental infrastructure and into direct competition with private ecological restoration firms for design, construction, and long-term maintenance work.

As both a public instrumentality and a market participant, MES enjoys structural advantages, access to state financing tools, embedded relationships with agencies, and intimate knowledge of procurement practices, that private firms do not, and loosening its internal procurement thresholds risks allowing more work to be steered through streamlined or small-procurement pathways where transparency and open competition are reduced.

Maryland's restoration businesses are concerned that MES's dual role gives it superior access to project planning information, scope development discussions, and procurement timing—effectively early intelligence on upcoming solicitations—creating an uneven playing field when they must later bid against MES for the same work under “competitive” procurements.

For these reasons, the industry respectfully urges the Committee, as it considers SB 228, to reaffirm the legislature's original intent for MES as a gap-filling service provider, to cabin its competitive activities in markets where a robust private sector exists, and to ensure that any expanded authority or higher small-procurement thresholds are paired with safeguards that prevent MES from leveraging its unique governmental position and insider access to procurement information to the detriment of private restoration employers and the thousands of Marylanders they employ.

*Maria K. Donovan*

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