

March 9th, 2026

The Honorable Marc Korman
Chair, House Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Opposition HB 1560 Forest Conservation - Incentives - Pilot Program and Fund

Dear Chair Korman,

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding **HB 1560 Forest Conservation - Incentives - Pilot Program and Fund**.

HB 1560 creates a new system to put a monetary value on forests, charge fees when that value is reduced by development, and use those funds to pay landowners to conserve and manage forests long term. MBIA has concerns with the policy timing, regulatory overlap, and the creation of new and undefined development impact fees.

The State of Maryland already has the Forest Conservation Act, which applies to development activities including data centers. The Forest Conservation Act represents a large shift in forest protection and mitigation requirements across the state. Before layering additional programs, methodologies, and fee mechanisms onto the regulatory framework, the State should allow the newly enacted policies to be implemented and evaluated. Our industry is already operating under a framework that results in no net loss of forest statewide. This bill creates duplicative mitigation structures and new financial penalties on development that is already subject to forest conservation requirements.

The bill also establishes a PILOT incentive program to compensate private forest landowners, a concept that we are not opposed to, but that program is paired with heavy fee mechanisms that are undefined, and targeted at specific industries and infrastructure. If the intent of the legislation is to address particular concerns related to utility infrastructure or electric transmission associated with emerging energy demands, the committee should pursue more targeted solutions rather than establishing a broad new statewide impact fee framework that could affect all forms of development.

Lastly, the General Assembly passed SB526/Hb723 in 2023 that made significant changes to the Forest Conservation Act. This bill will not be fully implemented until July 1, 2026. We believe that we should implement that legislation before making further changes. Maryland should invest in conservation programs that are targeted, measurable, and aligned with our housing, economic, and land-use goals. HB1560 creates a costly, duplicative, and undefined program without demonstrating need or delivering accountability. For these reasons, we respectfully urge an unfavorable report.

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

cc: Members of the House Environment and Transportation Committee