



House Bill 1268

Date: March 13, 2026

Committee: Environment & Transportation

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.

House Bill 1268 (HB 1268) would establish a new environmental justice review framework for certain permits issued by the Maryland Department of the Environment (MDE). The bill applies to facilities located in or near environmental justice areas and would require cumulative burden analyses, expanded public participation requirements, and additional enforcement provisions. Under the bill, MDE must evaluate whether a permitted activity contributes to environmental or public health stressors within an at-risk census tract. If the Department determines that approving an application would cause or contribute to adverse environmental or public health stressors, the Department is required to deny the permit unless the applicant can demonstrate a compelling public interest. The bill applies broadly to both new permits and renewals, as well as routine permit modifications.

The Chamber supports policies that protect environmental quality and public health, and we recognize the importance of ensuring that all communities are protected from disproportionate environmental burdens. However, as drafted, HB 1268 raises serious concerns regarding regulatory certainty, permitting timelines, and the continued viability of existing facilities that have long complied with Maryland's environmental laws.

Mandatory Permit Denial Standard

A central concern with the bill is the mandatory denial framework tied to whether a permitted activity "causes or contributes to" an environmental or public health stressor. Because virtually all regulated activities contribute some level of emissions or environmental impact, often at extremely small or controlled levels, this standard could effectively create a default denial outcome for many permit actions. Facilities that fully comply with applicable environmental standards could nonetheless face permit denial if they are unable to demonstrate a "compelling public interest," which is undefined in the bill as introduced.

This represents a significant departure from Maryland's existing compliance-based permitting framework, under which facilities demonstrating compliance with environmental standards can reasonably expect permits to be issued. Such a shift introduces substantial regulatory uncertainty and could discourage investments in facility upgrades, modernization projects, or pollution-control improvements that require permit modifications. It is also difficult to imagine new facilities choosing to site in Maryland's environmental justice areas if, after completing the burden analysis and obtaining an initial permit, future renewals or modifications could later be denied.

Broad Scope of Covered Permits

HB 1268 applies environmental justice review to a broad range of permits, including minor air permits, water discharge permits, industrial stormwater permits, and routine permit renewals. The bill also lacks any materiality threshold or de minimis standard that would allow minor or routine permit actions to proceed without triggering full cumulative impact review.

As a result, even minor operational changes, such as equipment replacements, efficiency improvements, or pollution-control upgrades, could require extensive burden analyses and public engagement processes. Because these types of permit modifications are often necessary simply to maintain operations, the bill could create significant operational challenges for existing facilities.

In contrast, most environmental justice statutes in other states focus review primarily on new major sources of pollution, rather than applying sweeping review requirements to routine permit renewals or minor modifications at existing facilities.

Unclear Standards for Cumulative Impact Analysis

HB 1268 requires the evaluation of environmental and public health stressors in combination with existing conditions in the surrounding community. However, the bill does not establish clear methodologies, thresholds, or objective standards for how cumulative impacts should be measured, weighted, or evaluated.

Without clearly defined criteria, the burden analysis process may become highly subjective and difficult to implement consistently. The absence of clear guidance on data sources, indicators, and evaluation metrics could lead to inconsistent outcomes, increased administrative burden, and a higher likelihood of disputes and litigation.

Impacts on Existing Facilities

Many Maryland employers operate facilities in historically industrial areas that are now designated as environmental justice communities. These facilities often provide high-quality jobs, essential infrastructure, and significant economic activity in the surrounding communities.

Because environmental permits must periodically be renewed or modified to replace aging equipment, maintain operations, or install updated pollution-control technology, existing facilities would regularly be subject to the bill's environmental justice review requirements. If routine permit modifications cannot be approved, facilities may face increasing operational uncertainty over time and may be unable to make the upgrades necessary to maintain operations and improve environmental performance.

Permitting Timelines

Maryland's environmental permitting system already involves extensive technical review and lengthy timelines. Adding new cumulative impact analyses, technical reporting requirements, expanded public comment periods, and additional procedural steps could significantly increase permitting timelines and administrative burdens for both applicants and MDE.

The bill also raises questions about whether the Department has the resources necessary to conduct complex cumulative impact analyses across a broad range of permit types while maintaining timely permit decisions.

Penalty Provisions

The Chamber has concerns with the bill's enforcement provisions, including a proposed 75% escalation in penalties for facilities located within environmental justice areas. While enforcement tools are important to ensure compliance, penalties based solely on geographic location, rather than the severity of violations or compliance history, may not effectively improve environmental outcomes and could create additional uncertainty for regulated entities.

While we appreciate the intent behind HB 1268, the bill as currently drafted would introduce substantial regulatory uncertainty, significantly expand permitting requirements, and create new risks for existing facilities that have long operated in compliance with Maryland's environmental laws. Without clearer standards, defined thresholds, and a more balanced approach to environmental justice review, the bill could unintentionally discourage investment, inhibit economic development, and strain the state's permitting system.

For these reasons, the Chamber respectfully requests an **unfavorable report** on **HB 1268**.