

March 11th, 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 1268 Environmental Permits - Requirements for Burden Analysis, Issuance and Renewal, and Public Participation (Cumulative Harms for Environmental Restoration for Improving Shared Health - CHERISH Our Communities Act)

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 1268 Environmental Permits - Requirements for Burden Analysis, Issuance and Renewal, and Public Participation (Cumulative Harms for Environmental Restoration for Improving Shared Health - CHERISH Our Communities Act)**.

If enacted, this bill will make it significantly more difficult to invest and redevelop in the very communities it is intended to protect. By increasing penalties and layering additional permitting requirements in designated at-risk census tracts, the bill risks discouraging reinvestment, modernization of existing facilities, and new housing development in those areas.

This bill exempts general permits for “stormwater associated with construction activity”. However, there is no exemption for individual permits associated with construction activity. The Department of the Environment has the discretion to require an individual permit for any construction activity and, indeed, specifically says in the MDE guidance document that the Department may decide to require an individual permit any time one is requested by any citizen. Housing projects, especially multifamily projects, can be controversial. Requiring an environmental justice (EJ) analysis guarantees at least a 60-day delay in processing the permit. In addition, the analysis will be very expensive (MDE estimates it needs \$600,000 just to review the analysis) and will raise additional avenues for litigation challenging housing projects. Due to these reports, we are expecting a lot more requests from those opposing housing projects for the Department to require an individual permit. The only way to fix this would be to exclude all permits for construction related to housing projects from the bill.

The most recent redline of the bill specifically covers “3. Stormwater associated with industrial activity, as defined by the Department.” The Department’s written guidance on what is an “industrial activity” is very broad and arguably could include anything that exceeds an acre, including construction: “**What defines an “Industrial Facility?”** *For the purpose of this requirement, the list consists of any facility where the principal activity is manufacturing, mining operations, hazardous waste treatment or disposal facilities, landfills that have received any industrial waste, recycling facilities, steam electric power generating facilities, transportation facilities (but only those who do vehicle maintenance), sewage*

*treatment works deigned for over 1.0 mgd, **and construction activity that disturbs over an acre.***” (General Discharge Permit for Stormwater Associated with Industrial Activities, Section 3.02, page 1, [3.03.pdf](#)). This language may have been intended to exclude small industrial projects but that is not how we are reading the bill. As written, the list *includes* construction that disturbs over an acre. Of course, most housing projects and virtually all multi-family housing projects disturb more than an acre during construction. This would also be fixed if housing projects were specifically excluded from the bill.

The bill also increases the penalties for all violations that occur in at-risk census tracts by 75%. As you may know, there are occasional penalties for violations of the general stormwater permits since something as simple as a sediment control fence collapse is a violation. Since the census tracts covered by the bill are so large, many housing projects would be at risk of larger penalties. Under the draft bill language, the increased penalties would apply even if the housing project were exempted from the rest of the bill.

Maryland is currently facing a severe housing shortage. According to the [report released by Comptroller Brooke Lierman](#), Maryland is short 100,000 housing units and is considered the 6th most regulated state for housing development. If we continue to add more barriers to housing development, Marylanders will continue to leave to neighboring states like Pennsylvania and Virginia. Increasing permitting complexity, extending public comment periods, expanding judicial review records, and layering additional analytical requirements simply makes it more difficult to build more housing and raises development costs. These costs are always passed directly on to homebuyers.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

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