



Maryland's Comprehensive Conservation Finance Act

SB0737—Sponsored by Senators Rosapepe, Elfreth,
Washington, Guzzone, Smith, Young and Hester

- **Global, profit-seeking investment in environmental and conservation outcomes is expected to grow to more than \$200 billion per year in the coming years.**
- **Maryland needs to capture a “fair share” of these investments to supplement public and philanthropic funding and assist in achieving and maintaining our Chesapeake Bay and climate goals.**
- **This legislation is lengthy but not complicated. It is primarily a series of amendments to state policies authorizing various actions and investments under current funding levels with the goal of advancing the conservation and restoration of nature-based assets.**
- **The fiscal note concludes there is no fiscal impact on the state budget and that the bill would benefit small businesses and create revenue for local government.**
- **The EHEA Committee received over 25 letters of support from a diverse group of restoration businesses, investors, agricultural groups, and conservation nonprofits. No letters of opposition were received. The amendments requested by CBF and four state agencies (MDE, DNR, MDA, and DGS) were addressed with amendments that each approved and that were adopted by the Committee.**
- **SB0737as amended received both a unanimous and bi-partisan vote in EHEA on March 17th and from the full Senate on March 19th.**

Highlights:

- **Makes Maryland the first state to define ‘blue infrastructure’ including blue carbon and puts both blue and green infrastructure on equal footing for state financing with gray infrastructure.**
- **Conservation easements on forests, tree planting, and other green infrastructure projects would be more eligible for MDE state revolving fund loans, grants, and loan guarantees.**
- **Expands eligibility of non-profits or for profits to receive loan guarantees that can help secure low-cost financing for green bonds and environmental impact bonds, like Baltimore’s environmental impact bond.**
- **Strengthens direction for MDE to use loans and similar financing to support toxic lead water pipe removal and fund green infrastructure in environmentally burdened communities and neighborhoods.**



- Creates a green infrastructure and restoration commission to make recommendations on how to advance and prioritize green and blue infrastructure projects and to make it easier to carry out ecological restoration.
- Asks the state's Environmental Justice Commission to recommend actions needed to create a human right to affordable, clean water, as California has done.
- Expands DNR Chesapeake and Coastal Bays Trust Fund contracting to allow them to use Pay for Success contracts that buy successfully verified environmental outcomes like reduced nitrogen pollution and prioritize and pay for environmental justice and local job co-benefits.
- Strengthens incentives for the establishment and use of forest banks that protect and restore forests and offset forest losses from development.
- Authorizes both DNR and Department of Agriculture to create working groups or hire carbon market experts to help develop programs and standards that make it easier for Maryland landowners to find voluntary carbon market buyers for carbon stored in soils and forests.
- Adopts language in three areas of state law to make it more likely that existing state contracts and easements allow Maryland landowners to participate in voluntary carbon offset markets.
- Expands opportunities for private finance to support removal of hazardous dams to restore fish populations or to retrofit old dams with hydropower turbines if they are not important for fish passage.
- Allows MDE to make loans to water quality projects in the Pennsylvania portion of the Susquehanna watershed to accelerate water pollution improvements there, to be paid back by Pennsylvania.
- Allows MDOT to use public-private partnerships to install and maintain green and blue infrastructure.
- Creates a Natural Capital task force, co-chaired by UMD, to recommend best practices for local and state government to account for natural assets like flood, wetlands, and forests on their balance sheets.
- Makes Maryland the second state to authorize a new form of contracting in state procurement law for environmental and conservation projects called "Pay for Success" that makes it easier for MDA, MDE, DNR, MDOT, MES, and DGS to pay for projects after they deliver verified outcomes.
- Makes Maryland the first state to define 'environmental outcomes' like carbon sequestration and nutrient pollution runoff as a commodity that can be more easily requisitioned and purchased by the state to meet conservation and climate goals.
- If SB0737 were enacted by the General Assembly, Maryland would significantly increase our competitiveness in attracting greater private capital investments to supplement public and philanthropic funding sources.

For more information about [SB 0737](#), the Maryland Comprehensive Conservation Finance Act, please email John Griffin of the Chesapeake Conservancy at jgriffin@chesapeakeconservancy.org or call (443) 845-1613. Or email Timothy Male of the Environmental Policy Innovation Center at tmale@policyinnovation.org or call (240) 274-0341.