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Susan O'Neill, Chair

Charlotte Davis, Executive Director

POSITION STATEMENT

HOUSE BILL 15- Corporations and Associations - Limited Worker Cooperative Associations - Authorization (Maryland Limited Cooperative Association Act)
House Economic Matters Committee
January 21, 2025

The Rural Maryland Council **SUPPORTS** House Bill 15- Corporations and Associations - Limited Worker Cooperative Associations - Authorization (Maryland Limited Cooperative Association Act). The bill authorizes the formation of a limited worker cooperative association.

While Maryland statute recognizes the formation of cooperatives such as electric cooperatives and housing cooperatives, it does not specifically authorize worker cooperatives. Cooperatives are often a solution to many rural challenges to make up for a lack of population density and create economies of scale. As rural Maryland's population is aging, transitioning to the next generation is of concern particularly aging business owners and farmers. As these aging owners wish to retire, converting to a worker-owned cooperative could retain needed businesses and jobs in areas desperate in need.

There are *Seven Cooperative Principles*:

- **Voluntary and Open Membership**
- **Democratic Member Control**
- **Member Economic Participation**
- **Autonomy and Independence**
- **Education, Training and Information**
- **Cooperation among Cooperatives**
- **Concern for Community**

Worker cooperatives are value-driven businesses that put the worker and community benefits as the core of their purpose. More than half of worker cooperatives in the United States today were designed to improve low-wage jobs and build wealth in communities most directly affected by inequality, helping vulnerable workers build skills and earning potential, household income and assets.

Worker cooperatives are different from Employee Stock Ownership Plans (ESOPs) as outlined in the attached chart. An ESOP is a federally-regulated employee benefit plan that gives ownership interest to workers by allocating shares from the ESOP trust. A worker cooperative is a member-owned business entity in which worker-owners have a controlling interest, and who elect the governing body on a one-member-one-vote basis.

Three other types of employee ownership exist: Employee Ownership Trust (EOTs), which is a perpetual purpose trust that holds some or all of the shares of a company on behalf of the employees, equity compensation grants and direct ownership options through stock options or offers. An EOT ensures employees have a share in profits, a voice in governance and that the mission of the business—and its jobs—can be preserved for generations to come.

This legislation will support the retention and creation of jobs across the State. The Rural Maryland Council requests a favorable report of HB 15.

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	<i>ESOPs</i>	<i>Worker Coops</i>	<i>EOTs</i>	<i>Equity Grants</i>	<i>Direct Ownership</i>
<i>What kinds of companies typically use these plans?</i>	Established companies with owners looking to do a partial or complete ownership transition. A minority of plans are used by companies simply to share the wealth employees help create. Companies must be C corporations, S corporations, or LLCs taxed as a C or S corporation.	Typically, smaller companies with a philosophical commitment to democratic corporate governance. Companies looking for a lower cost way to set up an employee ownership plan and/or get employee investment up front.	Companies looking to do a business transition that want to give legal protection for preserving legacy, community benefit, or social and environmental goals, or that do not want to comply with the rules and costs of an ESOP and are willing to trade off the tax benefits of ESOPs to do so. Trusts can be designed to be permanent in order to prevent a sale to another buyer.	Often used by newer companies looking to grow or by larger private companies. Most private companies using these plans intend to be sold in the medium term, but some provide liquidity through company redemptions and stay private.	Companies of various sizes and stages seeking a low-cost, gradual, flexible ownership transition. Typical goals for these plans include employee engagement and the creation or maintenance of a strong ownership culture. Companies are typically S corporations or C corporations.
<i>Primary uses</i>	1. To be a new owner of the business, often when the current owner wants to retire. 2. Providing incentives and rewards broadly to the workforce.	1. Starting up a new company, often with a social mission. 2. Business transitions in very small closely held companies.	1. Preserving the culture, protecting the work force, or maintaining a values-based decision-making process. 2. Business transitions in closely held companies.	1. Providing incentives and rewards to selected workers or, less often, more broadly. 2. Conserving cash in startup companies.	1. Recruiting, retaining, and incentivizing employees. 2. Providing liquidity for owners, either gradually or, in the case of a leveraged transaction, more quickly. 3. Providing a tool for a gradual & flexible ownership transition and leadership succession.
<i>Tax benefits to owners of companies</i>	1. Sellers can defer capital gains taxes on a sale an ESOP if the sales meets certain requirements. 2. The purchase of shares by the ESOP can be funded with pretax dollars out of future profits. Stock redemptions outside of ESOPs must be funded with after-tax dollars.	1. Sellers can defer capital gains taxes on a sale to a worker cooperative if the sale meets certain requirements. This provision is the same for ESOPs and worker cooperatives.	None	None	None for the sale. Combined with a stock donation program, capital gains tax on the donated stock is potentially eliminated. Such donations likely qualify for a deduction in the year of the donation.
<i>Governance</i>	The ESOP trust is the legal shareholder. The trustee is appointed by the board. The trustee votes the shares. Employees have limited voting rights.	Each cooperative member has one vote, and coop members elect the board of directors.	Companies can choose the control rights the trust exercises and whether employees have any say.	Employees generally have no role in governance as a result of the equity shares.	Shares of company stock are typically voting shares. 1 share = 1 vote. Owners elect the board of directors.



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Testimony in Support of
House Bill 19 – Health Occupations - Nursing - Loan Repayment, Education, and Sunset
Extension (Building Opportunities for Nurses Act of 2025)
House Health and Government Operations Committee
January 27, 2025

The Rural Maryland Council supports House Bill 19 – Health Occupations - Nursing - Loan Repayment, Education, and Sunset Extension (Building Opportunities for Nurses Act of 2025). This bill proposes changing the name of the Maryland Loan Assistance Repayment Program for Nurses and Nursing Support Staff to the Maryland Loan Assistance Repayment Program for Nurses. It also aims to modify the program's purpose and adjust specific educational requirements for licensure in registered nursing and for licensure by endorsement in registered nursing. Additionally, the bill seeks to repeal the requirement that the State Board of Nursing must approve certain nursing assistant training program sites within a specified timeframe.

Rural Marylanders are often in worse health than their urban and suburban counterparts and lack access to medical facilities and practitioners to improve their health. This is especially true in specialty areas such as mental health and dental care. Additionally, rural areas are made up of aging populations that require more medical attention but lack the healthcare workforce to do so. The Health Resources and Services Administration (HRSA) reports that more than 1.1 million Marylanders are in a primary care Health Professional Shortage Area (HPSA). That's over 1.1 million Marylanders who lack access to the primary health care they need. In the U.S., rural or partially rural areas make up over 68% of the designated primary care HPSAs.

House Bill 19 aims to increase the capacity of high-level healthcare professionals in Maryland to address existing shortages, particularly in nursing. The COVID-19 pandemic has worsened these shortages, with many healthcare workers leaving due to increased workloads and stress. As a result, the remaining staff face heightened responsibilities, leading to further burnout. This legislation seeks to empower healthcare workers to effectively fulfill their roles and ensure that patients receive the essential care they need.

The Rural Maryland Council respectfully requests your favorable support of House Bill 19.

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Testimony in Support of
HOUSE BILL 56 - PROCUREMENT - STATE DEPARTMENT OF EDUCATION - CONTROL AUTHORITY
- LOCAL FOOD PURCHASING
House Health and Government Operations
Committee
February 4, 2025

The Rural Maryland Council **SUPPORTS** House Bill 56 – Procurement – State Department of Education – Control Authority – Local Food Purchasing. This bill gives the Maryland State Department of Education (MSDE) the authority to control procurement of food by local school systems without the approval of any other primary procurement unit. It further (1) requires MSDE, in consultation with the Maryland Department of Agriculture (MDA), to establish a platform to facilitate procurement of food by local school systems; (2) exempts procurements by MSDE for the purpose of master contracts from oversight by the Board of Public Works (BPW); and (3) requires MSDE to report annually on such procurements.

Passage of this bill will ease regulatory burdens in local food procurement making it easier for farmers to access institutional markets. It further supports the Certified Local Farm and Fish Program, created in 2020 to encourage state agencies to buy food from local farms. The program's goal is for state agencies to buy 20% of their food from certified local farms.

According to the USDA Farm to school census, Maryland hosts 1,457 schools and 895,078 students. <https://farmtoschoolcensus.fns.usda.gov/census-results/states/md>. In 2024, Maryland schools spent over \$19 million on paid school lunches and \$8.3 million on paid breakfasts. Maryland spent \$72.3 million on Free Breakfasts and \$206 million on Free Lunches for a total of \$305 million in annual spending on food each year. Capturing 20% of that spending would result in \$61 million for local food procurements. [https://dlslibrary.state.md.us/publications/JCR/2023/2023_177-178.pdf#:~:text=The%20Maryland%20State%20Department%20of%20Education%20\(MSDE\),maximum%20reimbursement%20rates%20for%20the%20school%20meals](https://dlslibrary.state.md.us/publications/JCR/2023/2023_177-178.pdf#:~:text=The%20Maryland%20State%20Department%20of%20Education%20(MSDE),maximum%20reimbursement%20rates%20for%20the%20school%20meals)

Increased local food procurement will help improve farm profitability and supports the rural economy.

The Rural Maryland Council has supported the Certified Local Farm and Fish and the Chesapeake Invasive Species Provider Programs. The Chesapeake Invasive Species Provider Program addresses the highly invasive blue catfish which has the potential to cause substantial harm to the Chesapeake Bay food web as it has a long lifespan and an expansive diet, which can include many native species that call the Bay their home such as menhaden and blue crabs.

The Rural Maryland Council supports and encourages efforts to promote local food production and farmer profitability. The Rural Maryland Council respectfully requests your favorable support of House Bill 56.

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Testimony in Support of
House Bill 225 – Vehicle Laws - Exceptional Hauling Permits for Farm Products
House Environment and Transportation Committee
February 6, 2025

The Rural Maryland Council supports House Bill 225 – Vehicle Laws - Exceptional Hauling Permits for Farm Products. This bill introduces an exception for vehicles transporting fluid milk products regarding the prohibition on driving vehicles with an exceptional hauling permit on the interstate highway system. It also modifies certain weight limits and tolerances associated with exceptional hauling permits. Additionally, it updates the preventive maintenance documents that individuals operating under an exceptional hauling permit must carry. Furthermore, it revises specific record-keeping requirements, and the application of certain administrative penalties related to exceptional hauling permits.

The Rural Maryland Council is dedicated to promoting initiatives that enhance the quality of life for farmers in Maryland. By focusing on innovative practices and sustainable strategies, the Council aims to boost the overall profitability and efficiency of agricultural operations throughout the state, ensuring a vibrant future for Maryland's farming community.

Currently, farm-loaded products, including poultry, must adhere to the same weight restrictions imposed on other commodities. However, accurately weighing these products at the source—whether from fields or poultry farms—can be quite challenging. The proposed adjustments to weight allowances will facilitate compliance for our valued third-party haulers, ensuring they operate within legal limits while enabling effective tracking and inspection by the Maryland Department of Transportation.

Moreover, these adjustments present not only the opportunity to reduce the number of trips required for our haulers but also to contribute positively to environmental sustainability by lowering emissions and minimizing wear on Maryland's roadways. By decreasing the frequency of trips, we can achieve a significant reduction in fuel consumption and carbon output. Additionally, this bill emphasizes the necessity of appropriate axle configurations to support the increased weights, thereby ensuring that while our haulers may transport greater loads, the overall impact on road infrastructure remains unchanged.

The Rural Maryland Council respectfully requests your favorable support of House Bill 225.

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POSITION STATEMENT

House Bill 286 - Local Comprehensive Planning and State Economic Growth, Resource Protection, and Planning Policy -
Planning Principles
House Environment and Transportation Committee
February 4, 2025

The Rural Maryland Council SUPPORTS WITH AMENDMENT House Bill 286 – Local Comprehensive Planning and State Economic Growth, Resource Protections, and Planning Policy – Planning Principles. This bill replaces the 12 “visions” – that a local planning commission must implement through a local jurisdiction’s comprehensive plan – with 8 “planning principles.”

We appreciate the Maryland Department of Planning’s update of the State’s planning “visions” and its effort to simplify implementation of local planning principles. The current visions were adopted some time ago and the proposed principles provide a framework to foster resilient, economically thriving communities for current and future generations.

However, we feel that the principles as proposed miss some important concepts to include in future planning efforts. Namely, preservation and conservation of land, redevelopment and working landscapes. As currently described, the principles are focused on the municipal built environment while leaving out our unincorporated rural areas that contribute economically and environmental benefits to the State.

The State has adopted the goal to preserve 40% of our land. Currently, we have preserved 30% of our States’ lands and that includes our state parks that attract tourists to our rural areas as well as our agricultural land, our forests and our waterways that support our resource-based industries. These working landscapes are important to rural economies and we need local planners to identify those areas that should be considered for conservation.

We support the addition of adaptive reuse and mixed use under the economy principle; however, we would ask to include “redevelopment” to the principle. We think it important to incentivize the redevelopment of brownfields that exist throughout the State. We understand there are 4,700 abandoned gas stations riddled across the State. Redevelopment of those sites would further support efficient land use and limits development on green fields.

We appreciate the effort to make these principles universal, but as we all know because of the diversity of our state, one size does not fit all. For our rural areas, the biggest challenge to our growth is the lack of critical infrastructure particular water, broadband and energy. Our local planners can assist with ensuring that future needed resources are identified to support planned economic growth.

We ask the Committee to adopt the attached proposed amendment and to issue a favorable with amendment report on HB 286. Thank you for your consideration.

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HB 286
Proposed Amendments

AMENDMENT No. 1

On page 3, line 8, after FACILITIES insert “**and preserve open spaces, agricultural lands, forests, and natural habitats to support working landscapes.**”

Amendment No. 2

On page 3, line 6 after PRIORITIZE insert “**multimodal**”.

Amendment No 3

On page 3, line 11 after FOR insert “**redevelopment**”.

Amendment No. 4

On page 3, line 13 after INNOVATIONS insert “**and ensure growth areas have water, broadband and energy resources**”.

- (1) LAND: OPTIMIZE LAND PRODUCTIVITY WITHIN POPULATION CENTERS AND IN PROXIMITY TO EXISTING INFRASTRUCTURE AND FACILITIES **and preserve open spaces, agricultural lands, forests, and natural habitats to support working landscapes;**
- (2) TRANSPORTATION: PRIORITIZE **multimodal** TRANSPORTATION NETWORKS THAT CREATE ENERGY EFFICIENT, AFFORDABLE, AND RELIABLE ACCESS TO JOBS, HOUSING, AND SERVICES;
- (3) HOUSING: ENABLE A MIX OF QUALITY HOUSING TYPES AND AFFORDABILITY OPTIONS TO ACCOMMODATE ALL WHO WANT TO LIVE IN THE STATE;
- (4) ECONOMY: ALLOW FOR **redevelopment**, ADAPTIVE REUSE, MIXED–USE, AND CONTEXT APPROPRIATE NEW DEVELOPMENT THAT RESPONDS TO CHANGING MARKETS AND INNOVATIONS **and ensure growth areas have water, broadband and energy resources;**
- (5) EQUITY: ENGAGE ALL SECTORS OF THE COMMUNITY IN PLAN DEVELOPMENT TO ENSURE DIVERSE VOICES ARE HEARD AND THE NEEDS OF UNDERSERVED POPULATIONS ARE PRIORITIZED;
- 20 (6) RESILIENCE: INTEGRATE RESILIENCY MEASURES THAT WILL MINIMIZE THE IMPACTS OF RAPID AND UNEXPECTED NATURAL– AND HUMAN–CAUSED THREATS ON COMMUNITIES;
- (7) PLACE: PROVIDE FOR PUBLIC SPACES THAT ENCOURAGE SOCIAL INTERACTION AND VALUE CULTURAL, HISTORICAL, AND NATURAL RESOURCES; AND
- (8) ECOLOGY: PROTECT AND RESTORE SENSITIVE ECOLOGICAL SYSTEMS.



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Testimony in Support of
House Bill 341 – Property Tax Credit – Retail Service Station Conversions
Ways and Means Committee
February 4, 2025

The Rural Maryland Council supports House Bill 341 - Property Tax Credit – Retail Service Station Conversions. This bill encourages the repurposing of underutilized properties, potentially leading to revitalized communities and more efficient land use. It allows local governments, including Baltimore City and counties, to grant property tax credits on real properties converted from retail service stations to other uses. Additionally, the bill authorizes the state to reimburse participating local jurisdictions for 50% of the forgone property tax revenue resulting from these credits, as specified in the state budget. This incentivizes the conversion of vacant properties and promotes community development.

House Bill 341 benefits rural areas by providing property tax credits for the conversion of underutilized retail service stations into alternative uses, which can drive revitalization in these communities. Many rural areas have abandoned or underdeveloped properties, and this bill encourages redevelopment that can attract new businesses or services to those locations. It incentivizes property revitalization by encouraging the transformation of unused or abandoned retail service stations into productive uses, which can help revitalize rural areas and make better use of existing properties. The bill supports local economic growth by creating opportunities for new businesses and job creation, which is particularly beneficial in rural communities that may struggle with economic activity and development. Additionally, repurposing retail service stations can lead to improvements in local infrastructure and services, such as new retail establishments, community centers, or essential services.

By promoting these conversions in rural areas, the bill helps ensure more efficient use of land, encourages community development, and can stimulate local economies. The Rural Maryland Council respectfully requests your favorable support of House Bill 341.

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Testimony in Support of
House Bill 350 /Senate Bill 319– Budget Bill (Fiscal Year 2026)
Appropriations Committee
Capital Budget Subcommittee
Monday, February 17, 2025

The Rural Maryland Council supports the Governor's Appropriation for the Rural Maryland Council and the Maryland Agricultural Education and Rural Development Assistance Fund contained in House Bill 350/SB319 – Budget Bill (Fiscal Year 2026). This funding will be highly beneficial to those who live, work, and visit the many great rural areas of our State. The funds allocated in the Fiscal Year 2026 budget will support the Rural Maryland Council's (RMC) operations and activities, the RMC's two grant programs – the Rural Maryland Prosperity Investment Fund (RMPIF) and the Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF), and the State's five Rural Regional Councils.

The RMPIF and MAERDAF grant programs have provided substantial amounts of needed opportunities and resources to our rural communities. The RMPIF grant program is designed to facilitate significant targeted investments in important economic and community development programs and promote regional and intergovernmental cooperation. The MAERDAF grant program provides capacity-building grants to rural nonprofit organizations and community colleges that promote statewide and regional planning, economic and community development, youth engagement & leadership development, energy, rural broadband, and agricultural and forestry education.

Demand for our programs is high. **In Fiscal Year 2025, RMC received 204 grant applications totaling \$19,834,402, of which the Council awarded 65 grants totaling \$6,129,837*.** These grant recipient projects have had significant outcomes such as improved education outcomes of at-risk, minority children by providing educational summer enrichment programming; addressing food security by supporting general contractor and infrastructure costs to establish a grocery; expanding broadband internet connections to new homes; and, providing medical transportation, personnel, and services to those in need. **Note the Council was appropriated \$9 million in the FY2025 budget but received a \$2.25 million budget reduction from the Board of Public Works in July 2024.*

The RMC is a driving force in rural economic development, working to strengthen rural communities across the state. The Council is recognized by the USDA as Maryland's State Rural Development Council under the National Rural Development Partnership and collaborates with the Maryland/Delaware State Office of Rural Development. In collaboration with **five Rural Regional Councils**, RMC supports initiatives that foster business growth, workforce development, and infrastructure. ***Between 2018 and 2021, the Council's two grant programs***

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had a significant impact on Maryland's economy. According to a study by the Regional Economic Studies Institute at Towson University, these programs generated approximately \$136.9 million in economic output, created 1,100 jobs, and provided \$45.3 million in employee compensation. A new study is currently underway to assess the continued economic benefits of these investments, reinforcing the importance of sustained funding.

The Rural Maryland Council has experienced two budget reductions since the Fiscal Year 2025 budget—first, a \$2.25 million cut by the Board of Public Works in July 2025, followed by a \$3 million reduction in the FY2026 budget. While we understand the State's challenging fiscal situation, we respectfully request full funding restoration if possible. These cuts amount to a 33% reduction since 2025, impacting our ability to support rural communities effectively.

Additionally, RMC has yet to receive approval for the contractual conversion of an existing position into a PIN. This is not a new or additional role but a necessary transition to provide stability for our team and strengthen our capacity to meet our vision, goals, and work plan. We urge the Committee to consider these critical needs as it makes difficult budget decisions.

The strength of the Council's impact is dependent on the resources provided to them through the State's operating budget. The Council members and rural non-profit community leverage these funds with local and federal funds to improve the lives of rural Marylanders. RMPIF funding allows many rural organizations to provide innovative programming that creates jobs, educational opportunities and enhances the quality of life in our rural communities. For many nonprofit organizations and stakeholders, RMPIF provides the critical support needed to fuel healthy, resilient rural communities.

The Rural Maryland Council thanks Governor Moore for his support of the Council and respectfully requests your support of the Governor's appropriation included in House Bill 350.

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Testimony in Support of
House Bill 368 – General Provisions - Commemorative Month - Maryland Native Plant Month
House Health and Government Operations Committee
March 13, 2025

The Rural Maryland Council supports House Bill 368 – General Provisions - Commemorative Month - Maryland Native Plant Month. This bill requires the Governor to annually proclaim May as Maryland Native Plant Month. The proclamation will acknowledge the benefits that native plants provide to Maryland's natural environment. Additionally, it will encourage educational and environmental organizations, as well as businesses, to properly observe Maryland Native Plant Month.

The Maryland Native Plant Month highlights the Maryland Native Plant Program, with the program's primary purpose being to:

- (1) ENCOURAGE AND PROMOTE THE INCREASING DEMAND FOR, USE OF, AND SALE OF NATIVE PLANTS BY RETAIL GARDEN CENTERS, RETAIL NURSERIES, AND WHOLESALE NURSERIES; AND
- (2) EDUCATE THE PUBLIC, LANDSCAPERS, AND OTHER PLANT USERS ON THE IMPORTANCE, BENEFIT, AND AVAILABILITY OF NATIVE PLANTS.

The Maryland Native Plant Program is dedicated to promoting the use of native plants in landscaping and restoration projects across the state. This initiative aims to enhance biodiversity, support local wildlife, and foster ecological resilience. One of its key resources is the Commercial Native Plant List, which features approved nurseries and vendors that supply a variety of native species. This list not only helps consumers find reliable sources for native plants but also encourages sustainable landscaping practices that benefit the environment. By supporting the use of native flora, the program contributes to the conservation of Maryland's unique ecosystems.

Establishing a Native Plant Month in Maryland could significantly boost the local economy by increasing awareness and demand for native plants. By promoting events, workshops, and educational campaigns throughout the month, residents would be encouraged to purchase native plants for their gardens, which in turn supports local nurseries and garden centers. Additionally, fostering a connection between the community and native flora can stimulate landscape design services, gardening supplies, and eco-friendly landscaping practices. This initiative not only enhances biodiversity and supports local ecosystems but also creates a thriving market centered around sustainable gardening and conservation efforts.

Additionally, Maryland Native Plant Month can serve as an opportunity for rural communities to engage in educational programs that highlight the importance of native flora. Workshops, events, and partnerships with local schools and organizations can empower residents to take pride in their environment, encouraging sustainable practices that benefit both our agricultural heritage and natural landscapes.

The Rural Maryland Council respectfully requests your favorable support of House Bill 368.

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Testimony in Support of
House Bill 397 – Maryland Agricultural and Resource-Based Industry Development Corporation
- Oyster Shucking House Loan Program
House Environment and Transportation Committee
February 12, 2025

The Rural Maryland Council supports House Bill 397 – Maryland Agricultural and Resource-Based Industry Development Corporation - Oyster Shucking House Loan Program. The bill involves modifying a specific loan program to allow the Maryland Agricultural and Resource-Based Industry Development Corporation to offer loans of up to \$25,000 for certain seasonal full-time jobs. Additionally, it seeks to reduce the eligibility period for financing under the loan program from 5 years to 3 years for individuals who have been licensed seafood dealers.

The legislation enacted in 2022 (HB 1228/SB 830) provides provisions for replenishing oyster populations in Chesapeake Bay by establishing a loan fund managed by the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO). This fund is designed to finance eligible seafood processing projects, including historic oyster shucking facilities, thus promoting the retention of oyster shells within the State.

The Governor is required to allocate \$1 million in the MARBIDCO budget for fiscal year 2024 for this purpose. MARBIDCO will offer low-interest loans ranging from \$10,000 to \$250,000, depending on the number of full-time jobs created or retained. The current structure allows funding of \$25,000 for each projected full-time job and \$10,000 for each seasonal full-time job.

Loan proceeds may be utilized for constructing new facilities, expanding existing ones, or purchasing processing equipment. To qualify, applicants must have a Maryland Seafood Dealer license or a Tidal Fisheries License for at least five years and agree to obtain a Seafood Dealer License if approved for financing.

Loan forgiveness is also available under specific conditions, based on the market value of returned oyster shells and the planting of spat-on-shell on public fisheries, as verified by the Department of Natural Resources (DNR). To date, MARBIDCO has approved one loan for a project in Dorchester County and has \$750,000 remaining in the fund. Proposed changes in HB 397 seek to simplify the program and enhance accessibility for oyster processors.

The Rural Maryland Council respectfully requests your favorable support of House Bill 397.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 496 – Income Tax - Credits for Nursing Program Preceptors in Areas with Health
Care Workforce Shortages – Alterations
House Ways and Means Committee
February 6, 2025

The Rural Maryland Council supports House Bill 496 – Income Tax - Credits for Nursing Program Preceptors in Areas with Health Care Workforce Shortages – Alterations. This bill proposes to reduce the number of training hours required for certain health care practitioners in a nursing program preceptor rotation from 100 to 90. This change is intended to qualify these practitioners for specific credits against the State income tax when they serve as preceptors in areas facing health care workforce shortages. Additionally, the bill mandates that the Department of Health submit an annual report to the Comptroller by January 31, detailing the tax credit certificates issued, and to the General Assembly, providing information on the utilization of the credit.

Rural Marylanders are often in worse health than their urban and suburban counterparts and lack access to medical facilities and practitioners to improve their health. This is especially true in specialty areas such as mental health and dental care. Additionally, rural areas are made up of aging populations that require more medical attention but lack the healthcare workforce to do so. The Health Resources and Services Administration (HRSA) reports that more than 1.1 million Marylanders are in a primary care Health Professional Shortage Area (HPSA). That's over 1.1 million Marylanders who lack access to the primary health care they need. In the U.S., rural or partially rural areas make up over 68% of the designated primary care HPSAs.

House Bill 496 will allow more high-level healthcare workers to practice in Maryland where there are shortages or nurses are needed. While certain areas of the State have been facing a shortage of healthcare workers, it was worsened by the pandemic. As a result of the pandemic, members of the healthcare workforce are leaving at higher rates, mostly from the increased workload and amount of stress that they have been facing. As some healthcare workers quit, it creates more of a workload and stress for the remaining members, resulting in a cycle of burnout. This bill will allow workers to adequately perform their jobs and ensure that patients are getting the treatment that they need.

The Rural Maryland Council respectfully requests your favorable support of House Bill 496.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

February 19, 2025

Environmental and Transportation Committee
251 Taylor House Office Building
6 Bladen Street
Annapolis, Maryland 21401

RE: Testimony in Support: House Bill 530 – Maryland Forestry Education Fund - Mandatory Funding - Extension

Dear Chair Korman, Vice Chair Boyce, and Members of the Environmental and Transportation Committee:

The Rural Maryland Council supports House Bill 530 – Maryland Forestry Education Fund - Mandatory Funding - Extension. This bill extends the fiscal years through 2031, requiring the Governor to include a \$250,000 appropriation in the annual budget bill for the Maryland Forestry Education Fund.

Rural communities in Maryland rely heavily on the health and management of our forests. These areas benefit from sustainable forestry practices that boost local economies through job creation in timber production, recreation, and tourism. The educational initiatives funded by this bill will equip our community members with the necessary skills and knowledge to manage these resources effectively, ensuring that our forests are resilient and productive for generations to come.

Moreover, the Maryland Forestry Education Fund would support critical programs that promote conservation, enhance biodiversity, and combat issues such as invasive species and forest health challenges. By investing in education, we are investing in the future of our rural identity and the environmental stewardship that is essential for the well-being of our ecosystems.

In addition to economic benefits, healthier forests contribute to cleaner air and water and provide important habitats for wildlife. Ensuring that rural residents have access to quality education and resources in forestry management aligns with broader goals of protecting our natural heritage.

The Rural Maryland Council respectfully requests your favorable support of House Bill 530.

Sincerely,

Charlotte Davis
RMC Executive Director

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 650 – Maryland Fair and Agricultural Education Promise Fund - Establishment
(Maryland Fair and Agricultural Education Promise Act)
House Environment and Transportation Committee
February 12, 2025

The Rural Maryland Council supports House Bill 650 – Maryland Fair and Agricultural Education Promise Fund - Establishment (Maryland Fair and Agricultural Education Promise Act). This bill establishes the Maryland Fair and Agricultural Education Promise Fund as a special, non-lapsing fund aimed at advancing agricultural fairs and education in the state. It requires that any interest earnings from the fund be credited back to it. Additionally, the bill allocates \$1,450,000 from the state lottery proceeds—before any funds are directed to the General Fund—to the Promise Fund. Lastly, it repeals the previous requirement that a specific amount of annual proceeds from the state horse racing special fund be used to promote agricultural fairs and education in the state.

Maryland's agricultural education and agricultural fairs play a vital role in the state's economy and community engagement.

Agricultural education in Maryland provides essential knowledge and skills to students and individuals interested in pursuing careers in agriculture, environmental science, and related fields. By teaching sustainable farming practices, animal husbandry, and the basics of agribusiness, these educational programs help cultivate the next generation of agricultural leaders. This education not only supports local farming communities but also ensures the continuation of agricultural traditions and innovations that are critical for food security and economic stability in Maryland.

Maryland agricultural fairs are also important for several reasons. These fairs serve as a platform to showcase local produce, livestock, and agricultural products, allowing farmers to connect directly with consumers. This strengthens the local economy by promoting the sale of Maryland-grown food and crafts. Additionally, fairs create a sense of community, bringing people together to celebrate the state's agricultural heritage through events like livestock shows, exhibits, and competitions.

Moreover, agricultural fairs often include educational components, such as workshops and demonstrations that inform participants about agriculture, sustainability, and food systems. These events foster an appreciation for farming and the challenges that farmers face, bridging the gap between urban and rural communities.

The Rural Maryland Council respectfully requests your favorable support of House Bill 650.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county, and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county, and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic, or regulatory solutions.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

February 11, 2025

Environmental and Transportation Committee
251 Taylor House Office Building
6 Bladen Street
Annapolis, Maryland 21401

RE: Testimony in Support with Amendments: House Bill 717 – Natural Resources – Public Lands – Acquisition, Staffing, Operations and Funding

Dear Chair Korman, Vice Chair Boyce, and Members of the Environmental and Transportation Committee:

The Rural Maryland Council supports House Bill 717 - Natural Resources – Public Land Acquisition, Staffing, Operations, and Funding with Amendments. This bill enhances the management, funding, and operations of Maryland's public lands by establishing a Land and Property Management Program within the Department of Natural Resources (DNR) and authorizing affiliated foundations to support departmental initiatives. It modifies the Forest or Park Reserve Fund and allows the Governor to transfer excess Program Open Space funds—beyond \$80 million in unspent stateside acquisition funding—to DNR for stewardship, maintenance, and operations of state parks and public lands.

The Rural Maryland Council (RMC) supports many aspects found in House Bill 717. For example, we like the enabling of affiliated foundations to generate private funding to support state parks. Encouraging public-private partnerships will help strengthen Maryland's ability to maintain and enhance its public lands without relying solely on fluctuating state revenues. However, we respectfully request the following two amendments:

- Ensure that only excess funds are used to provide the Department of Natural Resources (DNR) with the flexibility to address its operating deficit, rather than allowing a broad and permanent redirection of land conservation funds to the Forest or Park Reserve Fund.
- Clarify that the definition of 'Real Property Interest' applies specifically to DNR-held fee simple acquisition interests, conservation easement interests, or other perpetual easement interests. The current bill language suggests it applies to all such interests, which needs refinement to ensure it pertains only to DNR-held properties.

The Council recognizes the importance of ensuring Maryland's state parks have adequate resources for operations, maintenance, and development. However, the transfer tax was designed primarily as a land acquisition tool, and its revenue fluctuates based on the real estate market. Sweeping a portion of these funds into the Forest or Park Reserve Fund could jeopardize

Maryland's long-term land conservation goals, including the preservation of 40% of the state's land by 2040.

To balance these priorities, we propose these amendments to HB 717 that allow DNR to utilize excess, unallocated acquisition funds on a limited basis to support critical operational needs and to clarify the definition of 'Real Property Interest'. This approach maintains fiscal responsibility while ensuring that land conservation efforts continue without disruption. **The Rural Maryland Council respectfully requests your favorable support with amendments of House Bill 717.**

Sincerely,



Charlotte Davis
RMC Executive Director



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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 869 – Preserve Telehealth Access Act of 2025
House Health and Government Operations Committee
February 13, 2025

The Rural Maryland Council supports House Bil 869 – Preserve Telehealth Access Act of 2025. This bill aims to remove the time limit on how long certain audio-only phone calls can be considered “telehealth.” This change will apply to the Maryland Medical Assistance Program and several insurers, nonprofit health service plans, and health maintenance organizations regarding their coverage and reimbursement policies. It will also eliminate the requirement for these programs and entities to provide reimbursement for health care services delivered via telehealth within a specific timeframe and rate. This bill relates to the coverage and payment for health care services provided through telehealth.

Since the COVID-19 pandemic, rural areas have faced a significant shortage of healthcare workers, exacerbating existing challenges in accessing medical care. This shortage has highlighted the urgent need for telehealth services, which can offer vital healthcare support remotely. In many rural regions, residents struggle to obtain necessary medical attention due to long distances to healthcare facilities and a limited number of available practitioners, creating healthcare deserts. Telehealth can help bridge this gap by providing patients with easier access to consultations, follow-up care, and expert advice, thereby improving overall health outcomes in these underserved communities.

Implementing telehealth services in rural areas can significantly enhance access to healthcare by addressing common obstacles faced by patients. One major challenge is the difficulty of traveling long distances to receive specialty care, which often leads to delays in treatment and increased stress for patients. Telehealth can mitigate these issues by allowing patients to consult with healthcare providers remotely, thereby reducing the need for extensive travel. This approach not only saves time and transportation costs but also ensures that patients receive timely medical attention and follow-up care, improving overall health outcomes in underserved rural communities.

The Rural Maryland Council respectfully requests your favorable support of House Bill 869.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 894 – Endangered and Threatened Species – Incidental Taking - Bats
House Environment and Transportation Committee
Wednesday, February 19, 2025

The Rural Maryland Council **SUPPORTS** House Bill 894 – Endangered and Threatened Species – Incidental Taking – Bats. This bill authorizes the Secretary of the Maryland Department of Natural Resources to issue an incidental taking permit for the Indiana bat, the northern long-eared bat, and the tricolor bat if an applicant submits a conservation plan that specifies the impact that will likely result in the taking, steps to minimize the impact and alternative actions to the taking the applicant considered.

Maryland's law authorizes conservation plans and incidental take permits for two species, Delmarva Fox Squirrels and Tiger Beetles. This legislation adds the Northern Long-eared Bat (NLEB), the Tricolor Bat (TCB) and the Indiana Bat as other species for which Habitat Conservation Plans can be developed and an incidental take permit. Without such a plan and permit, “taking” one of these three bat species would be prohibited and unlawful. For those industries and land users who are comfortable with the federal guidance that covers their activities, there is no need to enter into the measures of a habitat conservation plan. For those, like the timber industry, who believe the seasonal restrictions on logging in the federal guidance are unworkable, a state conservation plan, in cooperation with the Department of Natural Resources, hopefully, will provide an opportunity to ensure the bat’s survival through conservation measures that are more acceptable for Maryland than those currently in the federal guidance document.

Forest land is the second largest land-use in Maryland, with 2.5 million acres, nearly 40% of all state land. The industry provides 8,813 jobs and produces \$2.63 billion in economic output. An acre of forest produces 12,000 board feet on average or three truckloads of logs. Maryland grows enough wood annually to build 50,000 homes per year. Today, there are 24 billion board feet of sawtimber standing on timberland, however the forest product industry in Maryland only harvests 22% of Net Annual Growth each year.
(<https://maryland-forestry-resources-salisburyu.hub.arcgis.com/>)

There are 14,833 private forest landowners. Strong local markets for wood result in forest landowners investing in better management of their forest, which in turn enhances the multitude of non-timber benefits forests provide. If our forests lose their economic value to the people who own them, we will likely lose the forests.

Forests require management and maintenance. An unmanaged forest may not produce the vegetation most wildlife requires, leading to less diverse wildlife habitats. Unmanaged forests may also become more susceptible to disease and insect damage. A managed forest is a healthy, sustainable forest. The Rural Maryland Council asks for a favorable report of HB 894.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 969 – Property Tax – Valuation of Operating Property of
Rural Broadband Service Providers
Ways and Means Committee
Tuesday, February 18, 2025

The Rural Maryland Council supports House Bill 969 – Property Tax – Valuation of Operating Property of Rural Broadband Service Providers. House Bill 969 proposes changes to how the State Department of Assessments and Taxation assesses the operating properties of rural broadband service providers for property tax purposes. The bill aims to modify the valuation process to potentially encourage the expansion of broadband services in rural areas.

In 2017, the Maryland General Assembly created the Task Force on Rural Internet, Broadband, Wireless, and Cellular Service to explore legislative options for expanding broadband access in rural areas. The Task Force considered several tax and regulatory policy changes, including a potential sales tax exemption for broadband equipment. Eliminating the sales tax requirement on broadband infrastructure was identified to encourage investment and growth in rural connectivity. One industry-funded economic analysis found that removing the sales and use tax on communications infrastructure would, over three years, generate over \$689 million in new economic activity in Maryland, create 2,800 new private-sector jobs paying \$138 million in annual wages, and generate \$9 million in new state and local taxes. In 2018, the Task Force issued a report that included this legislative proposal as a potential strategy to enhance broadband expansion. For more details, you can refer to the Task Force's 2018 report: [Task Force Report](#).

Building on these findings, House Bill 969 encourages broadband expansion by adjusting how rural broadband service providers' operating property is valued for tax purposes, potentially reducing financial burdens on providers. Lower property tax costs may incentivize companies to expand and maintain broadband infrastructure in rural areas.

Many rural communities lack reliable high-speed internet, which affects education, healthcare, business development, and overall quality of life. Making broadband deployment more financially feasible can help bridge the digital divide. Reliable broadband is also critical for small businesses, farms, and teleworkers in rural areas. Improved internet access can attract new businesses, create jobs, and support local economies. Additionally, the bill supports schools and telehealth services. Students in rural Maryland often struggle with limited internet access for online learning, while healthcare providers can offer more telehealth options, ensuring better access to medical care.

Finally, Maryland and federal agencies have prioritized rural broadband expansion to enhance economic and social opportunities. This bill aligns with those goals by making it easier and more cost-effective to invest in broadband infrastructure. The Rural Maryland Council respectfully requests your favorable support of House Bill 969



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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support with Amendments
House Bill 1036 – Public Utilities – Generating Stations – Generating and Siting
(Renewable Energy Certainty Act)
Economic Matters Committee
February 28, 20205

The Rural Maryland Council supports House Bill 1036 with Amendments - Public Utilities Generating Stations – Generating and Siting (Renewable Energy Certainty Act). This bill aims to streamline the Public Service Commission's (PSC) approval process for solar and energy storage projects by modifying the required considerations for certificates of public convenience and necessity. It also prohibits local jurisdictions from restricting these projects under certain conditions and requires expedited site development approvals. The bill enables automatic enrollment in community solar programs, sets guidelines for residential rooftop solar installations, and mandates a PSC study to establish renewable energy partnerships. If enacted, the bill would take effect in October 2025.

With Maryland importing about 40% of its electricity and 75% of its renewable energy from out-of-state sources, it is clear why the state is working to reduce this reliance by developing more local renewable energy projects. House Bill 1036 supports this goal by streamlining the approval process, allowing the state to grant approval for projects that meet specific criteria and bypass the often complex and delayed local procedures. While the Council supports the overall objectives of HB1036, it also recognizes the importance of ensuring that the needs and concerns of rural Maryland are not overlooked. To protect rural communities and land use, the bill requires some amendments.

Rural areas are ideal for renewable energy projects due to factors such as abundant open land, lower population density, and cheaper land costs. These areas often have favorable natural resources, including strong winds and ample sunlight, necessary for energy generation. Additionally, rural regions can accommodate the infrastructure needed, like transmission lines and substations, to connect renewable energy projects to the grid. This combination of resources and space makes rural areas a prime location for large-scale solar and wind energy developments (climatechangewriters.com).

The Council requests amendments to the bill to ensure that local governance is included in the decision-making process. Additionally, the bill should prohibit the construction of renewable energy projects on prime agricultural soils and require that mitigation fees be directed toward restoring the land to its pre-solar development condition once renewable energy use ceases.

The Rural Maryland Council respectfully requests your favorable support with amendments of House Bill 1036.

On page 5, on line 8, INSERT

(3) (1) OR LOCATED ON PRIME AGRICULTURAL SOILS CLASS I AND II

(2) IF LOCATED ON NON-PRIME AGRICULTURAL SOILS CLASS I AND II, THE COMMISSION SHALL MANDATE DEVELOPERS TO PAY A MITIGATION FEE FOR LAND RESTORATION AS A CONDITION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY APPROVAL. FUNDS ARE ALLOCATED FOR RETURNING THE LAND TO ITS ORIGINAL STATE AFTER THE DECOMMISSIONING OF RENEWABLE ENERGY PROJECTS.

On page 5, after line 17, INSERT,

(3) THE PROJECT HAS ALL OTHER APPLICABLE FEDERAL, STATE, AND LOCAL APPROVALS.



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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 1327 – Natural Resources - Maryland Heritage Areas Authority - Funding and Grants
House Environment and Transportation Committee
March 5, 2025

The Rural Maryland Council supports House Bill 1327 – Natural Resources - Maryland Heritage Areas Authority - Funding and Grants. This bill enhances funding and support for Maryland's certified heritage areas. The bill would expand Maryland Heritage Areas Authority (MHAA) to award grants and loans to local jurisdictions or other appropriate entities specifically for managing these heritage areas. Additionally, it seeks to increase the maximum funding amount for certain grants to \$300,000, providing more substantial financial support for heritage projects. Another significant change is the adjustment of how Program Open Space funds are allocated - reducing the portion that can be used for operating expenses from 10% to 7%. These provisions aim to strengthen the preservation and promotion of Maryland's cultural and historical resources while ensuring more funding is directed toward direct program support and project implementation.

A Maryland Heritage Area is a designated region recognized for its unique historical, cultural, and natural significance. These areas receive support from the MHAA to promote heritage tourism, economic development, and resource preservation. Within a heritage area, communities, businesses, and organizations can apply for grants and other funding to support projects that enhance historic sites, conserve landscapes, develop visitor experiences, and strengthen local economies. Maryland currently has 13 certified Heritage Areas, each with a distinct focus, such as maritime history, agricultural heritage, Heritage Areas encompass parts of every county in the state, as well as the City of Baltimore. Established in 1996, the Heritage Areas Program is one of the key initiatives aimed at promoting heritage tourism in Maryland.

Maryland's Heritage Areas significantly contribute to the state's economy by attracting visitors whose expenditures bolster local jobs, businesses, and tax revenues within communities. Annually, these Heritage Areas **contribute \$2.4 billion** into Maryland's economy and **generate \$319.8 million in combined state and local tax revenue**. Additionally, they support approximately **40,000 jobs** across various sectors, including museum personnel, trail construction teams, and event organizers.

With additional funding, the Maryland Heritage Areas will be able to fully support community-driven projects that boost local economies, with 62% of money spent in a community remaining there. This investment will also help prepare for the celebrations of America's 250th anniversary in 2026 and Maryland's 400th anniversary in 2034, ensuring that every voice is heard and every story is told - from the mountains of Western Maryland to the shores of the Chesapeake.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1327.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 1199 – Physicians - Licensing - Internationally Trained Physicians
House Health and Government Operations Committee
March 10, 2025

The Rural Maryland Council supports House Bill 1199 – Physicians - Licensing - Internationally Trained Physicians. This bill authorizes the State Board of Physicians to issue a medical practice license to internationally trained physicians starting October 1, 2027, under certain conditions. It also requires the Board to establish regulations that outline the minimum qualifications and application fees for licensure, as well as to create a pathway to full licensure.

Rural Marylanders are often in worse health than their urban and suburban counterparts and lack access to medical facilities and practitioners to improve their health. This is especially true in specialty areas such as mental health and dental care. Additionally, rural areas are made up of aging populations that require more medical attention but lack the healthcare workforce to do so. The Health Resources and Services Administration (HRSA) reports that more than 1.1 million Marylanders are in a primary care Health Professional Shortage Area (HPSA). That's over 1.1 million Marylanders who lack access to the primary health care they need. In the U.S., rural or partially rural areas make up over 68% of the designated primary care HPSAs.

As of December 31, 2024, the U.S. Department of Health and Human Services reports that to eliminate the federal designations of Health Professional Shortage Areas (HPSA) in Maryland, the state requires 282 primary care practitioners and 81 mental health practitioners. Internationally trained physicians could potentially help address these shortages by providing primary care and mental health services in designated HPSAs, particularly in rural areas of Maryland.

House Bill 1199 will allow more high-level healthcare workers to practice in Maryland where there are shortages or physicians are needed. While certain areas of the State have been facing a shortage of healthcare workers, it was worsened by the pandemic. As a result of the pandemic, members of the healthcare workforce are leaving at higher rates, mostly from the increased workload and amount of stress that they have been facing. As some healthcare workers quit, it creates more of a workload and stress for the remaining members, resulting in a cycle of burnout. This will allow workers to adequately perform their jobs and ensure that patients are getting the treatment that they need.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1199.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 1417 – Department of General Services - Clean Energy Procurement Program –
Establishment
House Economic Matters Committee
March 13, 2025

The Rural Maryland Council supports House Bill 1417 – Department of General Services - Clean Energy Procurement Program – Establishment. This bill requires the Department of General Services to establish a Clean Energy Procurement Program by January 1, 2026. The department will work in consultation with the Maryland Green Purchasing Committee, the University System of Maryland, and the Maryland Clean Energy Center. Additionally, the department will issue a solicitation for a biogas contract in collaboration with these entities and will be authorized to enter into a contract to procure biogas.

This initiative is particularly significant for rural Maryland, where we face unique challenges and opportunities in our pursuit of sustainable energy solutions.

Rural communities in Maryland are often disproportionately impacted by energy costs, with many residents relying on fossil fuels that can be expensive and harmful to the environment. By promoting clean energy procurement, this bill not only aligns with Maryland's commitment to reducing greenhouse gas emissions but also offers a pathway for rural residents to access more affordable and reliable energy sources.

Furthermore, the establishment of this program can stimulate local economies by creating jobs in clean energy industries. This is especially crucial in rural areas where economic diversification is needed. By investing in renewable energy projects, we can foster growth in sectors such as solar and wind power, which can offer stable employment opportunities for residents.

House Bill 1417 also addresses energy access and equity. Many rural households face barriers to obtaining clean energy solutions, whether due to high upfront costs or lack of infrastructure. The Clean Energy Procurement Program aims to enhance energy efficiency and accessibility, reducing the energy burden on low- to moderate-income families and ensuring that all Marylanders can benefit from the transition to clean energy.

Moreover, this program will have positive environmental impacts. Transitioning to clean energy reduces our reliance on fossil fuels, lowering air and water pollution and contributing to the health of our communities and ecosystems. This is vitally important for the rural landscapes that are not only part of our heritage but also essential for our agriculture and natural resources.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1417.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county, and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county, and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic, or regulatory solutions.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
SENATE BILL 177 - PROCUREMENT - STATE DEPARTMENT OF EDUCATION - CONTROL
AUTHORITY - LOCAL FOOD PURCHASING
Senate Budget and Taxation Committee
January 22, 2025

The Rural Maryland Council **SUPPORTS** Senate Bill 177 – Procurement – State Department of Education – Control Authority – Local Food Purchasing. This bill gives the Maryland State Department of Education (MSDE) the authority to control procurement of food by local school systems without the approval of any other primary procurement unit. It further (1) requires MSDE, in consultation with the Maryland Department of Agriculture (MDA), to establish a platform to facilitate procurement of food by local school systems; (2) exempts procurements by MSDE for the purpose of master contracts from oversight by the Board of Public Works (BPW); and (3) requires MSDE to report annually on such procurements.

Passage of this bill will ease regulatory burdens in local food procurement making it easier for farmers to access institutional markets. It further supports the Certified Local Farm and Fish Program, created in 2020 to encourage state agencies to buy food from local farms. The program's goal is for state agencies to buy 20% of their food from certified local farms.

According to the USDA Farm to school census, Maryland hosts 1,457 schools and 895,078 students. <https://farmtoschoolcensus.fns.usda.gov/census-results/states/md>. In 2024, Maryland schools spent over \$19 million on paid school lunches and \$8.3 million on paid breakfasts. Maryland spent \$72.3 million on Free Breakfasts and \$206 million on Free Lunches for a total of \$305 million in annual spending on food each year. Capturing 20% of that spending would result in \$61 million for local food procurements. ([https://dlslibrary.state.md.us/publications/JCR/2023/2023_177-178.pdf#:~:text=The%20Maryland%20State%20Department%20of%20Education%20\(MSDE\),maximum%20reimbursement%20rates%20for%20the%20school%20meals](https://dlslibrary.state.md.us/publications/JCR/2023/2023_177-178.pdf#:~:text=The%20Maryland%20State%20Department%20of%20Education%20(MSDE),maximum%20reimbursement%20rates%20for%20the%20school%20meals))

Increased local food procurement will help improve farm profitability and supports the rural economy.

The Rural Maryland Council has supported the Certified Local Farm and Fish and the Chesapeake Invasive Species Provider Programs. The Chesapeake Invasive Species Provider Program addresses the highly invasive blue catfish which has the potential to cause substantial harm to the Chesapeake Bay food web as it has a long lifespan and an expansive diet, which can include many native species that call the Bay their home such as menhaden and blue crabs.

The Rural Maryland Council supports and encourages efforts to promote local food production and farmer profitability. The Rural Maryland Council respectfully requests your favorable support of Senate Bill 177.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

POSITION STATEMENT

SENATE BILL 144 Corporations and Associations - Limited Worker Cooperative Associations - Authorization
(Maryland Limited Cooperative Association Act)
Senate Judicial Proceeding Committee
January 9, 2025

The Rural Maryland Council **SUPPORTS** Senate Bill 144- Corporations and Associations - Limited Worker Cooperative Associations - Authorization (Maryland Limited Cooperative Association Act). The bill authorizes the formation of a limited worker cooperative association.

While Maryland statute recognizes the formation of cooperatives such as electric cooperatives and housing cooperatives, it does not specifically authorize worker cooperatives. Cooperatives are often a solution to many rural challenges to make up for a lack of population density and create economies of scale. As rural Maryland's population is aging, transitioning to the next generation is of concern particularly aging business owners and farmers. As these aging owners wish to retire, converting to a worker-owned cooperative could retain needed businesses and jobs in areas desperate in need.

There are *Seven Cooperative Principles*:

- **Voluntary and Open Membership**
- **Democratic Member Control**
- **Member Economic Participation**
- **Autonomy and Independence**
- **Education, Training and Information**
- **Cooperation among Cooperatives**
- **Concern for Community**

Worker cooperatives are value-driven businesses that put the worker and community benefits as the core of their purpose. More than half of worker cooperatives in the United States today were designed to improve low-wage jobs and build wealth in communities most directly affected by inequality, helping vulnerable workers build skills and earning potential, household income and assets.

Worker cooperatives are different from Employee Stock Ownership Plans (ESOPs) as outlined in the attached chart. An ESOP is a federally-regulated employee benefit plan that gives ownership interest to workers by allocating shares from the ESOP trust. A worker cooperative is a member-owned business entity in which worker-owners have a controlling interest, and who elect the governing body on a one-member-one-vote basis.

Three other types of employee ownership exist: Employee Ownership Trust (EOTs), which is a perpetual purpose trust that holds some or all of the shares of a company on behalf of the employees, equity compensation grants and direct ownership options through stock options or offers. An EOT ensures employees have a share in profits, a voice in governance and that the mission of the business—and its jobs—can be preserved for generations to come.

The Committee voted to support this bill last year, SB 85. This legislation will support the retention and creation of jobs across the State. The Rural Maryland Council requests a favorable report of SB 144.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 203 – Vehicle Laws - Exceptional Hauling Permits for Farm Products
Senate Judicial Proceedings Committee
January 14, 2025

The Rural Maryland Council supports Senate Bill 203 – Vehicle Laws - Exceptional Hauling Permits for Farm Products. This bill introduces an exception for vehicles transporting fluid milk products regarding the prohibition on driving vehicles with an exceptional hauling permit on the interstate highway system. It also modifies certain weight limits and tolerances associated with exceptional hauling permits. Additionally, it updates the preventive maintenance documents that individuals operating under an exceptional hauling permit must carry. Furthermore, it revises specific record-keeping requirements, and the application of certain administrative penalties related to exceptional hauling permits.

The Rural Maryland Council is dedicated to promoting initiatives that enhance the quality of life for farmers in Maryland. By focusing on innovative practices and sustainable strategies, the Council aims to boost the overall profitability and efficiency of agricultural operations throughout the state, ensuring a vibrant future for Maryland's farming community.

Currently, farm-loaded products, including poultry, must adhere to the same weight restrictions imposed on other commodities. However, accurately weighing these products at the source—whether from fields or poultry farms—can be quite challenging. The proposed adjustments to weight allowances will facilitate compliance for our valued third-party haulers, ensuring they operate within legal limits while enabling effective tracking and inspection by the Maryland Department of Transportation.

Moreover, these adjustments present not only the opportunity to reduce the number of trips required for our haulers but also to contribute positively to environmental sustainability by lowering emissions and minimizing wear on Maryland's roadways. By decreasing the frequency of trips, we can achieve a significant reduction in fuel consumption and carbon output. Additionally, this bill emphasizes the necessity of appropriate axle configurations to support the increased weights, thereby ensuring that while our haulers may transport greater loads, the overall impact on road infrastructure remains unchanged.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 203.

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Charlotte Davis, Executive Director

February 5, 2025

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

RE: **SENATE BILL 266** - Local Comprehensive Planning and State Economic Growth,
Resource Protection, and Planning Policy - Planning Principles

Dear Chairman Feldman:

The Rural Maryland Council **SUPPORTS WITH AMENDMENT** Senate Bill 266 – Local Comprehensive Planning and State Economic Growth, Resource Protections, and Planning Policy – Planning Principles. This bill replaces the 12 “visions” – that a local planning commission must implement through a local jurisdiction’s comprehensive plan – with 8 “planning principles.”

We appreciate the Maryland Department of Planning’s update of the State’s planning “visions” and its effort to simplify implementation of local planning principles. The current visions were adopted some time ago and the proposed principles provide a framework to foster resilient, economically thriving communities for current and future generations.

However, we feel that the principles as proposed miss some important concepts to include in future planning efforts. Namely, preservation and conservation of land, redevelopment and working landscapes. As currently described, the principles are focused on the municipal built environment while leaving out our unincorporated rural areas that contribute economically and environmental benefits to the State.

The State has adopted the goal to preserve 40% of our land. Currently, we have preserved 30% of our States’ lands and that includes our state parks that attract tourists to our rural areas as well as our agricultural land, our forests and our waterways that support our resource-based industries. These working landscapes are important to rural economies and we need local planners to identify those areas that should be considered for conservation.

We support the addition of adaptive reuse and mixed use under the economy principle; however, we would ask to include “redevelopment” to the principle. We think it important to incentivize the redevelopment of brownfields that exist throughout the State. We understand there are 4,700 abandoned gas stations riddled across the State. Redevelopment of those sites would further support efficient land use and limits development on green fields.

We appreciate the effort to make these principles universal, but as we all know because of the diversity of our state, one size does not fit all. For our rural areas, the biggest challenge to our growth is the lack of critical

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infrastructure particular water, broadband and energy. Our local planners can assist with ensuring that future needed resources are identified to support planned economic growth.

We ask the Committee to adopt the attached proposed amendment and to issue a favorable with amendment report on SB 266. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to be 'CD' followed by a long, sweeping horizontal line.

Charlotte Davis
RMC Executive Director

Senate Bill 266

Proposed Amendments

AMENDMENT No. 1

On page 3, line 8, after FACILITIES insert “and preserve open spaces, agricultural lands, forests, and natural habitats to support working landscapes.”

Amendment No. 2

On page 3, line 6 after PRIORITIZE insert “multimodal”.

Amendment No 3

On page 3, line 11 after FOR insert “redevelopment”.

Amendment No. 4

On page 3, line 13 after INNOVATIONS insert “and ensure growth areas have water, broadband and energy resources”.

(1) LAND: OPTIMIZE LAND PRODUCTIVITY WITHIN POPULATION

CENTERS AND IN PROXIMITY TO EXISTING INFRASTRUCTURE AND FACILITIES and preserve open spaces, agricultural lands, forests, and natural habitats to support working landscapes;

(2) TRANSPORTATION: PRIORITIZE multimodal TRANSPORTATION NETWORKS

THAT CREATE ENERGY EFFICIENT, AFFORDABLE, AND RELIABLE ACCESS TO JOBS, HOUSING, AND SERVICES;

(3) HOUSING: ENABLE A MIX OF QUALITY HOUSING TYPES AND

AFFORDABILITY OPTIONS TO ACCOMMODATE ALL WHO WANT TO LIVE IN THE STATE;

(4) ECONOMY: ALLOW FOR redevelopment, ADAPTIVE REUSE, MIXED-USE, AND

CONTEXT APPROPRIATE NEW DEVELOPMENT THAT RESPONDS TO CHANGING

MARKETS AND INNOVATIONS and ensure growth areas have water, broadband and energy resources;

(5) EQUITY: ENGAGE ALL SECTORS OF THE COMMUNITY IN PLAN

DEVELOPMENT TO ENSURE DIVERSE VOICES ARE HEARD AND THE NEEDS OF
UNDERSERVED POPULATIONS ARE PRIORITIZED;

20 (6) RESILIENCE: INTEGRATE RESILIENCY MEASURES THAT WILL
MINIMIZE THE IMPACTS OF RAPID AND UNEXPECTED NATURAL– AND
HUMAN–CAUSED THREATS ON COMMUNITIES;

(7) PLACE: PROVIDE FOR PUBLIC SPACES THAT ENCOURAGE SOCIAL
INTERACTION AND VALUE CULTURAL, HISTORICAL, AND NATURAL RESOURCES; AND

(8) ECOLOGY: PROTECT AND RESTORE SENSITIVE ECOLOGICAL
SYSTEMS.



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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 319/House Bill 350 – Budget Bill (Fiscal Year 2026)
House Appropriations Committee
Transportation and Environment Subcommittee
Monday, February 17, 2025

The Rural Maryland Council supports the Governor's Appropriation for the Rural Maryland Council and the Maryland Agricultural Education and Rural Development Assistance Fund contained in Senate Bill 319/HB350 – Budget Bill (Fiscal Year 2026). This funding will be highly beneficial to those who live, work, and visit the many great rural areas of our State. The funds allocated in the Fiscal Year 2026 budget will support the Rural Maryland Council's (RMC) operations and activities, the RMC's two grant programs – the Rural Maryland Prosperity Investment Fund (RMPIF) and the Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF), and the State's five Rural Regional Councils.

The RMPIF and MAERDAF grant programs have provided substantial amounts of needed opportunities and resources to our rural communities. The RMPIF grant program is designed to facilitate significant targeted investments in important economic and community development programs and promote regional and intergovernmental cooperation. The MAERDAF grant program provides capacity-building grants to rural nonprofit organizations and community colleges that promote statewide and regional planning, economic and community development, youth engagement & leadership development, energy, rural broadband, and agricultural and forestry education.

Demand for our programs is high. **In Fiscal Year 2025, RMC received 204 grant applications totaling \$19,834,402, of which the Council awarded 65 grants totaling \$6,129,837*.** These grant recipient projects have had significant outcomes such as improved education outcomes of at-risk, minority children by providing educational summer enrichment programming; addressing food security by supporting general contractor and infrastructure costs to establish a grocery; expanding broadband internet connections to new homes; and, providing medical transportation, personnel, and services to those in need. **Note the Council was appropriated \$9 million in the FY2025 budget but received a \$2.25 million budget reduction from the Board of Public Works in July 2024.*

The **RMC is a driving force in rural economic development**, working to strengthen rural communities across the state. The Council is recognized by the USDA as Maryland's State Rural Development Council under the National Rural Development Partnership and collaborates with the Maryland/Delaware State Office of Rural Development. In collaboration with **five Rural Regional Councils**, RMC supports initiatives that foster business growth, workforce

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development, and infrastructure. ***Between 2018 and 2021, the Council's two grant programs had a significant impact on Maryland's economy. According to a study by the Regional Economic Studies Institute at Towson University, these programs generated approximately \$136.9 million in economic output, created 1,100 jobs, and provided \$45.3 million in employee compensation.*** A new study is currently underway to assess the continued economic benefits of these investments, reinforcing the importance of sustained funding.

The Rural Maryland Council has experienced two budget reductions since the Fiscal Year 2025 budget—first, a \$2.25 million cut by the Board of Public Works in July 2025, followed by a \$3 million reduction in the FY2026 budget. While we understand the State's challenging fiscal situation, we respectfully request full funding restoration if possible. These cuts amount to a 33% reduction since 2025, impacting our ability to support rural communities effectively.

Additionally, RMC has yet to receive approval for the contractual conversion of an existing position into a PIN. This is not a new or additional role but a necessary transition to provide stability for our team and strengthen our capacity to meet our vision, goals, and work plan. We urge the Committee to consider these critical needs as it makes difficult budget decisions.

The strength of the Council's impact is dependent on the resources provided to them through the State's operating budget. The Council members and rural non-profit community leverage these funds with local and federal funds to improve the lives of rural Marylanders. RMPIF funding allows many rural organizations to provide innovative programming that creates jobs, educational opportunities and enhances the quality of life in our rural communities. For many nonprofit organizations and stakeholders, RMPIF provides the critical support needed to fuel healthy, resilient rural communities.

The Rural Maryland Council thanks Governor Moore for his support of the Council and respectfully requests your support of the Governor's appropriation included in House Bill 350.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 344 – Property Tax Credit – Retail Service Station Conversions
Budget and Taxation Committee
January 29, 2025

The Rural Maryland Council supports Senate Bill 344 - Property Tax Credit – Retail Service Station Conversions. This bill encourages the repurposing of underutilized properties, potentially leading to revitalized communities and more efficient land use. It allows local governments, including Baltimore City and counties, to grant property tax credits on real properties converted from retail service stations to other uses. Additionally, the bill authorizes the state to reimburse participating local jurisdictions for 50% of the forgone property tax revenue resulting from these credits, as specified in the state budget. This incentivizes the conversion of vacant properties and promotes community development.

Senate Bill 344 benefits rural areas by providing property tax credits for the conversion of underutilized retail service stations into alternative uses, which can drive revitalization in these communities. Many rural areas have abandoned or underdeveloped properties, and this bill encourages redevelopment that can attract new businesses or services to those locations. It incentivizes property revitalization by encouraging the transformation of unused or abandoned retail service stations into productive uses, which can help revitalize rural areas and make better use of existing properties. The bill supports local economic growth by creating opportunities for new businesses and job creation, which is particularly beneficial in rural communities that may struggle with economic activity and development. Additionally, repurposing retail service stations can lead to improvements in local infrastructure and services, such as new retail establishments, community centers, or essential services.

By promoting these conversions in rural areas, the bill helps ensure more efficient use of land, encourages community development, and can stimulate local economies. The Rural Maryland Council respectfully requests your favorable support of Senate Bill 344.

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Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 363 – Maryland Agricultural and Resource-Based Industry Development Corporation
- Oyster Shucking House Loan Program
Senate Education, Energy and the Environment Committee
March 4, 2025

The Rural Maryland Council supports Senate Bill 363 – Maryland Agricultural and Resource-Based Industry Development Corporation - Oyster Shucking House Loan Program. The bill involves modifying a specific loan program to allow the Maryland Agricultural and Resource-Based Industry Development Corporation to offer loans of up to \$25,000 for certain seasonal full-time jobs. Additionally, it seeks to reduce the eligibility period for financing under the loan program from 5 years to 3 years for individuals who have been licensed seafood dealers.

The legislation enacted in 2022 (HB 1228/SB 830) provides provisions for replenishing oyster populations in Chesapeake Bay by establishing a loan fund managed by the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO). This fund is designed to finance eligible seafood processing projects, including historic oyster shucking facilities, thus promoting the retention of oyster shells within the State.

The Governor is required to allocate \$1 million in the MARBIDCO budget for fiscal year 2024 for this purpose. MARBIDCO will offer low-interest loans ranging from \$10,000 to \$250,000, depending on the number of full-time jobs created or retained. The current structure allows funding of \$25,000 for each projected full-time job and \$10,000 for each seasonal full-time job.

Loan proceeds may be utilized for constructing new facilities, expanding existing ones, or purchasing processing equipment. To qualify, applicants must have a Maryland Seafood Dealer license or a Tidal Fisheries License for at least five years and agree to obtain a Seafood Dealer License if approved for financing.

Loan forgiveness is also available under specific conditions, based on the market value of returned oyster shells and the planting of spat-on-shell on public fisheries, as verified by the Department of Natural Resources (DNR). To date, MARBIDCO has approved one loan for a project in Dorchester County and has \$750,000 remaining in the fund. Proposed changes in HB 397 seek to simplify the program and enhance accessibility for oyster processors.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 363.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 372 – Preserve Telehealth Access Act of 2025
Senate Finance Committee
February 5, 2025

The Rural Maryland Council supports Senate Bill 372 – Preserve Telehealth Access Act of 2025. This bill aims to remove the time limit on how long certain audio-only phone calls can be considered “telehealth.” This change will apply to the Maryland Medical Assistance Program and several insurers, nonprofit health service plans, and health maintenance organizations regarding their coverage and reimbursement policies. It will also eliminate the requirement for these programs and entities to provide reimbursement for health care services delivered via telehealth within a specific timeframe and rate. This bill relates to the coverage and payment for health care services provided through telehealth.

Since the COVID-19 pandemic, rural areas have faced a significant shortage of healthcare workers, exacerbating existing challenges in accessing medical care. This shortage has highlighted the urgent need for telehealth services, which can offer vital healthcare support remotely. In many rural regions, residents struggle to obtain necessary medical attention due to long distances to healthcare facilities and a limited number of available practitioners, creating healthcare deserts. Telehealth can help bridge this gap by providing patients with easier access to consultations, follow-up care, and expert advice, thereby improving overall health outcomes in these underserved communities.

Implementing telehealth services in rural areas can significantly enhance access to healthcare by addressing common obstacles faced by patients. One major challenge is the difficulty of traveling long distances to receive specialty care, which often leads to delays in treatment and increased stress for patients. Telehealth can mitigate these issues by allowing patients to consult with healthcare providers remotely, thereby reducing the need for extensive travel. This approach not only saves time and transportation costs but also ensures that patients receive timely medical attention and follow-up care, improving overall health outcomes in underserved rural communities.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 372.

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Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 563 – Maryland Fair and Agricultural Education Promise Fund - Establishment
(Maryland Fair and Agricultural Education Promise Act)
Senate Education, Energy and the Environment Committee
February 18, 2025

The Rural Maryland Council supports Senate Bill 563 – Maryland Fair and Agricultural Education Promise Fund - Establishment (Maryland Fair and Agricultural Education Promise Act). This bill establishes the Maryland Fair and Agricultural Education Promise Fund as a special, non-lapsing fund aimed at advancing agricultural fairs and education in the state. It requires that any interest earnings from the fund be credited back to it. Additionally, the bill allocates \$1,450,000 from the state lottery proceeds—before any funds are directed to the General Fund—to the Promise Fund. Lastly, it repeals the previous requirement that a specific amount of annual proceeds from the state horse racing special fund be used to promote agricultural fairs and education in the state.

Maryland's agricultural education and agricultural fairs play a vital role in the state's economy and community engagement.

Agricultural education in Maryland provides essential knowledge and skills to students and individuals interested in pursuing careers in agriculture, environmental science, and related fields. By teaching sustainable farming practices, animal husbandry, and the basics of agribusiness, these educational programs help cultivate the next generation of agricultural leaders. This education not only supports local farming communities but also ensures the continuation of agricultural traditions and innovations that are critical for food security and economic stability in Maryland.

Maryland agricultural fairs are also important for several reasons. These fairs serve as a platform to showcase local produce, livestock, and agricultural products, allowing farmers to connect directly with consumers. This strengthens the local economy by promoting the sale of Maryland-grown food and crafts. Additionally, fairs create a sense of community, bringing people together to celebrate the state's agricultural heritage through events like livestock shows, exhibits, and competitions.

Moreover, agricultural fairs often include educational components, such as workshops and demonstrations that inform participants about agriculture, sustainability, and food systems. These events foster an appreciation for farming and the challenges that farmers face, bridging the gap between urban and rural communities.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 563.

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

February 19, 2025

Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: Testimony in Support: Senate Bill 668 – Earned Income Tax Credit - Individuals Without Qualifying Children - Eligibility

Dear Chair Guzzone, Vice Chair Rosapepe, and Members of the Senate Budget and Taxation Committee:

The Rural Maryland Council supports Senate Bill 668 – Earned Income Tax Credit - Individuals Without Qualifying Children - Eligibility. This bill expands eligibility for the Maryland Earned Income Tax Credit (EITC) for individuals without qualifying children. It does this by changing the income thresholds at which the credit begins to phase out. Additionally, starting after the 2024 tax year, the income threshold and phase-out amounts will be adjusted annually for inflation. The provisions of this Act will apply to all taxable years beginning after December 31, 2024.

By expanding eligibility for the EITC, we can provide much-needed financial relief to individuals who work hard but still struggle to make ends meet. Allowing individuals without qualifying children to benefit from the EITC incentivizes workforce participation, acknowledging the contributions of single people and those without dependents while encouraging them to seek employment and contribute to the local economy.

Not only does this strengthen the workforce, but it also has a direct impact on local economies. When individuals have more financial resources through tax credits, they are more likely to spend that money within their communities, driving demand for goods and services. This increased purchasing power can stimulate business growth, particularly benefiting small businesses in rural Maryland.

Beyond its economic benefits, expanding the EITC also addresses inequities in our tax system, which disproportionately favors families with children. This bill ensures that all hardworking citizens, regardless of their family status, have an opportunity to benefit from tax relief. **The Rural Maryland Council respectfully requests your favorable support of Senate Bill 668.**

Sincerely,

Charlotte Davis
RMC Executive Director

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support with Amendments
Senate Bill 931 – Public Utilities – Generating Stations – Generating and Siting
(Renewable Energy Certainty Act)
Education, Energy, and the Environment
February 28, 20205

The Rural Maryland Council supports Senate Bill 931 with Amendments - Public Utilities Generating Stations – Generating and Siting (Renewable Energy Certainty Act). This bill aims to streamline the Public Service Commission's (PSC) approval process for solar and energy storage projects by modifying the required considerations for certificates of public convenience and necessity. It also prohibits local jurisdictions from restricting these projects under certain conditions and requires expedited site development approvals. The bill enables automatic enrollment in community solar programs, sets guidelines for residential rooftop solar installations, and mandates a PSC study to establish renewable energy partnerships. If enacted, the bill would take effect in October 2025.

With Maryland importing about 40% of its electricity and 75% of its renewable energy from out-of-state sources, it is clear why the state is working to reduce this reliance by developing more local renewable energy projects. Senate Bill 931 supports this goal by streamlining the approval process, allowing the state to grant approval for projects that meet specific criteria and bypass the often complex and delayed local procedures. While the Council supports the overall objectives of SB 931, it also recognizes the importance of ensuring that the needs and concerns of rural Maryland are not overlooked. To protect rural communities and land use, the bill requires some amendments.

Rural areas are ideal for renewable energy projects due to factors such as abundant open land, lower population density, and cheaper land costs. These areas often have favorable natural resources, including strong winds and ample sunlight, necessary for energy generation. Additionally, rural regions can accommodate the infrastructure needed, like transmission lines and substations, to connect renewable energy projects to the grid. This combination of resources and space makes rural areas a prime location for large-scale solar and wind energy developments (climatechangewriters.com).

The Council requests amendments to the bill to ensure that local governance is included in the decision-making process. Additionally, the bill should prohibit the construction of renewable energy projects on prime agricultural soils and require that mitigation fees be directed toward restoring the land to its pre-solar development condition once renewable energy use ceases.

The Rural Maryland Council respectfully requests your favorable support with amendments of Senate Bill 931.

On page 5, on line 8, INSERT

(3) (1) OR LOCATED ON PRIME AGRICULTURAL SOILS CLASS I AND II

(2) IF LOCATED ON NON-PRIME AGRICULTURAL SOILS CLASS I AND II, THE COMMISSION SHALL MANDATE DEVELOPERS TO PAY A MITIGATION FEE FOR LAND RESTORATION AS A CONDITION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY APPROVAL. FUNDS ARE ALLOCATED FOR RETURNING THE LAND TO ITS ORIGINAL STATE AFTER THE DECOMMISSIONING OF RENEWABLE ENERGY PROJECTS.

On page 5, after line 17, INSERT,

(3) THE PROJECT HAS ALL OTHER APPLICABLE FEDERAL, STATE, AND LOCAL APPROVALS.



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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 946 – Endangered and Threatened Species – Incidental Taking - Bats
Senate Education, Energy, and the Environment Committee
Tuesday, March 4, 2025

The Rural Maryland Council **SUPPORTS** Senate Bill 946 – Endangered and Threatened Species – Incidental Taking – Bats. This bill authorizes the Secretary of the Maryland Department of Natural Resources to issue an incidental taking permit for the Indiana bat, the northern long-eared bat, and the tricolor bat if an applicant submits a conservation plan that specifies the impact that will likely result in the taking, steps to minimize the impact and alternative actions to the taking the applicant considered.

Maryland's law authorizes conservation plans and incidental take permits for two species, Delmarva Fox Squirrels and Tiger Beetles. This legislation adds the Northern Long-eared Bat (NLEB), the Tricolor Bat (TCB) and the Indiana Bat as other species for which Habitat Conservation Plans can be developed and an incidental take permit. Without such a plan and permit, “taking” one of these three bat species would be prohibited and unlawful. For those industries and land users who are comfortable with the federal guidance that covers their activities, there is no need to enter into the measures of a habitat conservation plan. For those, like the timber industry, who believe the seasonal restrictions on logging in the federal guidance are unworkable, a state conservation plan, in cooperation with the Department of Natural Resources, hopefully, will provide an opportunity to ensure the bat’s survival through conservation measures that are more acceptable for Maryland than those currently in the federal guidance document.

Forest land is the second largest land-use in Maryland, with 2.5 million acres, nearly 40% of all state land. The industry provides 8,813 jobs and produces \$2.63 billion in economic output. An acre of forest produces 12,000 board feet on average or three truckloads of logs. Maryland grows enough wood annually to build 50,000 homes per year. Today, there are 24 billion board feet of sawtimber standing on timberland, however the forest product industry in Maryland only harvests 22% of Net Annual Growth each year.
(<https://maryland-forestry-resources-salisburyu.hub.arcgis.com/>)

There are 14,833 private forest landowners. Strong local markets for wood result in forest landowners investing in better management of their forest, which in turn enhances the multitude of non-timber benefits forests provide. If our forests lose their economic value to the people who own them, we will likely lose the forests.

Forests require management and maintenance. An unmanaged forest may not produce the vegetation most wildlife requires, leading to less diverse wildlife habitats. Unmanaged forests may also become more susceptible to disease and insect damage. A managed forest is a healthy, sustainable forest. The Rural Maryland Council asks for a favorable report of SB 946.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county, and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county, and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.



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Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 980 – Natural Resources - Maryland Heritage Areas Authority - Funding and Grants
Senate Budget and Taxation Committee
March 4, 2025

The Rural Maryland Council supports Senate Bill 980 – Natural Resources - Maryland Heritage Areas Authority - Funding and Grants. This bill enhances funding and support for Maryland's certified heritage areas. The bill would expand Maryland Heritage Areas Authority (MHAA) to award grants and loans to local jurisdictions or other appropriate entities specifically for managing these heritage areas. Additionally, it seeks to increase the maximum funding amount for certain grants to \$300,000, providing more substantial financial support for heritage projects. Another significant change is the adjustment of how Program Open Space funds are allocated - reducing the portion that can be used for operating expenses from 10% to 7%. These provisions aim to strengthen the preservation and promotion of Maryland's cultural and historical resources while ensuring more funding is directed toward direct program support and project implementation.

A Maryland Heritage Area is a designated region recognized for its unique historical, cultural, and natural significance. These areas receive support from the MHAA to promote heritage tourism, economic development, and resource preservation. Within a heritage area, communities, businesses, and organizations can apply for grants and other funding to support projects that enhance historic sites, conserve landscapes, develop visitor experiences, and strengthen local economies. Maryland currently has 13 certified Heritage Areas, each with a distinct focus, such as maritime history, agricultural heritage, Heritage Areas encompass parts of every county in the state, as well as the City of Baltimore. Established in 1996, the Heritage Areas Program is one of the key initiatives aimed at promoting heritage tourism in Maryland.

Maryland's Heritage Areas significantly contribute to the state's economy by attracting visitors whose expenditures bolster local jobs, businesses, and tax revenues within communities. Annually, these Heritage Areas **contribute \$2.4 billion** into Maryland's economy and **generate \$319.8 million in combined state and local tax revenue**. Additionally, they support approximately **40,000 jobs** across various sectors, including museum personnel, trail construction teams, and event organizers.

With additional funding, the Maryland Heritage Areas will be able to fully support community-driven projects that boost local economies, with 62% of money spent in a community remaining there. This investment will also help prepare for the celebrations of America's 250th anniversary in 2026 and Maryland's 400th anniversary in 2034, ensuring that every voice is heard and every story is told - from the mountains of Western Maryland to the shores of the Chesapeake.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 980.

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“A Collective Voice for Rural Maryland”