

HOUSE BILL 1176

M4, Q4

0lr2872

By: **Delegate Stein**

Introduced and read first time: February 7, 2020

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Agriculture – Maryland Healthy Soils Grant Program**

3 FOR the purpose of establishing the Maryland Healthy Soils Grant Program; establishing
4 the purpose of the Grant Program; establishing a certain eligibility requirement;
5 requiring the Department of Agriculture to implement and administer the Grant
6 Program; requiring the Department to adopt certain regulations; requiring the
7 Department to use a certain evaluation tool to calculate certain figures; authorizing,
8 beginning in a certain fiscal year, and each fiscal year thereafter, the Governor to
9 include in the budget bill a certain appropriation for the Grant Program; requiring
10 the Department to report certain information to certain committees of the General
11 Assembly on a certain date each year; requiring the Governor to offset a certain
12 appropriation to the Grant Program to reflect the repeal of a certain sales and use
13 tax exemption; defining certain terms; and generally relating to the Maryland
14 Healthy Soils Grant Program.

15 BY repealing and reenacting, without amendments,
16 Article – Agriculture
17 Section 2–1901
18 Annotated Code of Maryland
19 (2016 Replacement Volume and 2019 Supplement)

20 BY adding to
21 Article – Agriculture
22 Section 2–1902
23 Annotated Code of Maryland
24 (2016 Replacement Volume and 2019 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article – Tax – General
27 Section 11–210(a)
28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2016 Replacement Volume and 2019 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Agriculture

2–1901.

(a) (1) In this subtitle the following words have the meanings indicated.

(2) “Healthy soils” means the continuing capacity of soil to:

(i) Function as a biological system;

(ii) Increase soil organic matter;

(iii) Improve soil structure and water and nutrient holding capacity;

and

(iv) Sequester carbon and reduce greenhouse gas emissions.

(3) “Program” means the Maryland Healthy Soils Program.

(b) There is a Maryland Healthy Soils Program.

(c) The purpose of the Program is to:

(1) Improve the health, yield, and profitability of the soils of the State;

(2) Increase biological activity and carbon sequestration in the soils of the State by promoting practices based on emerging soil science, including planting mixed cover crops, adopting no-till or low-till farming practices, and rotation grazing; and

(3) Promote widespread use of healthy soils practices among farmers in the State.

(d) To carry out the purposes of the Program, the Department shall:

(1) Provide incentives, including research, education, technical assistance, and, subject to available funding, financial assistance, to farmers to implement farm management practices that contribute to healthy soils; and

(2) Determine whether the Program may be implemented in a manner to enhance other State and federal programs that provide financial assistance to farmers.

2–1902.

1 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
2 INDICATED.

3 (2) “ELIGIBLE GRANTEE” MEANS:

4 (I) A RESIDENT OF THE STATE; OR

5 (II) A MARYLAND CORPORATION.

6 (3) “GRANT PROGRAM” MEANS THE MARYLAND HEALTHY SOILS
7 GRANT PROGRAM.

8 (B) (1) THERE IS A MARYLAND HEALTHY SOILS GRANT PROGRAM.

9 (2) THE PURPOSE OF THE GRANT PROGRAM IS TO PROVIDE FUNDS
10 TO ELIGIBLE GRANTEES TO ESTABLISH AND ADMINISTER HEALTHY SOILS PROJECTS
11 THAT:

12 (I) IMPROVE THE HEALTH, YIELD, AND PROFITABILITY OF THE
13 SOILS OF THE STATE;

14 (II) INCREASE BIOLOGICAL ACTIVITY AND CARBON
15 SEQUESTRATION IN THE SOILS OF THE STATE BY PROMOTING PRACTICES BASED ON
16 EMERGING SOIL SCIENCE, INCLUDING PLANTING MIXED COVER CROPS, ADOPTING
17 NO-TILL OR LOW-TILL FARMING PRACTICES, AND ROTATION GRAZING; AND

18 (III) PROMOTE WIDESPREAD USE OF HEALTHY SOILS PRACTICES
19 AMONG FARMERS IN THE STATE.

20 (C) TO BE ELIGIBLE FOR A GRANT FROM THE GRANT PROGRAM, A PROJECT
21 MAY NOT BE OTHERWISE FUNDED BY A FEDERAL OR STATE PROGRAM.

22 (D) THE DEPARTMENT SHALL IMPLEMENT AND ADMINISTER THE GRANT
23 PROGRAM.

24 (E) (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT
25 THIS SECTION, INCLUDING REGULATIONS TO:

26 (I) DEVELOP REQUIREMENTS FOR GRANT APPLICATIONS;

27 (II) DEVELOP A PROCESS FOR REVIEWING GRANT
28 APPLICATIONS AND AWARDING GRANTS TO ELIGIBLE GRANTEES;

(III) DETERMINE A CAP FOR THE MAXIMUM AMOUNT OF A GRANT THAT AN ELIGIBLE GRANTEE MAY RECEIVE EACH YEAR;

(IV) PRIORITIZE THE AWARDING OF GRANTS TO PROJECTS THAT SEQUESTER CARBON IN THE MOST COST-EFFICIENT MANNER; AND

(V) MAKE THE AMOUNT OF A GRANT PROPORTIONAL TO THE AMOUNT OF GREENHOUSE GASES THAT THE PROJECT WILL REDUCE PER ACRE.

(2) TO CALCULATE AN ELIGIBLE GRANTEE'S GREENHOUSE GAS REDUCTION PER ACRE, THE DEPARTMENT SHALL USE THE COMET-PLANNER DEVELOPED BY THE U.S. DEPARTMENT OF AGRICULTURE AND THE NATURAL RESOURCES CONSERVATION SERVICE.

(F) BEGINNING IN FISCAL YEAR 2022, AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$300,000 FOR THE GRANT PROGRAM.

(G) BEGINNING JANUARY 1, 2022, AND EACH JANUARY 1 THEREAFTER, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE AND THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE, IN ACCORDANCE WITH 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON ALL GRANTS ISSUED UNDER THE GRANT PROGRAM DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR.

Article – Tax – General

11–210.

(a) The sales and use tax does not apply to a sale of:

(1) machinery or equipment used to produce bituminous concrete **ON OR BEFORE JULY 1, 2020**; or

(2) electricity, fuel, and other utilities used to operate that machinery or equipment.

SECTION 2. AND BE IT FURTHER ENACTED, That the Governor shall offset the appropriation authorized in § 2–1902(f) of the Agriculture Article, as enacted by Section 1 of this Act, with the funds collected as a result of the repeal of the sales and use tax exemption in § 11–210(a)(1) of the Tax – General Article, as enacted by Section 1 of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June

1 1, 2020.