

The Task Force on State and Local Government Accounting for Natural Capital

This Task Force was established by the Maryland General Assembly in the 2022 legislative session as part of the Conservation Finance Act ([SB0348/HB0653](#)). The language begins on Page 48.

Overall goal:

The purpose of the Task Force is to assist State and local governments to take full advantage of Government Accounting Standards Board accounting standards in order to unlock the financing needed to scale up the installation and maintenance of green and blue infrastructure and other conservation and restoration projects capable of contributing to a net reduction in the use of public funding while improving community health and resilience.

On or before September 30, 2023, the Task Force shall report its findings and recommendations under subsection (g) of this section to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

As its charge, the Task Force shall:

- 1. Document the extent to which Government Accounting Standards Board standards have been adopted in the State, identify barriers to the adoption of the standards, and make recommendations regarding the increased adoption of the standards;***
- 2. Compile an inventory of the institutions that support natural capital and make recommendations regarding the engagement of land trusts, land banks, and community land trusts to act as green infrastructure institutions and the creation of equity and resilience in disadvantaged communities;***
- 3. Make recommendations regarding public accounting and auditing practices that could help State and local governments to better quantify and value natural capital alongside traditional asset accounting;***
- 4. Develop a communications plan describing natural resources as natural capital assets, including discussing urban tree canopy as a natural asset; and***
- 5. Study and make recommendations regarding any other matter the Task Force considers relevant and timely.***

The Task Force consists of the following members:

- 1. The Secretary of the Environment, or the Secretary's designee;***
- 2. The Director of the University of Maryland Environmental Finance Center, or the Director's designee;***
- 3. The Secretary of Agriculture, or the Secretary's designee;***
- 4. The Secretary of Natural Resources, or the Secretary's designee;***
- 5. The Secretary of Budget and Management, or the Secretary's designee;***
- 6. The State Treasurer, or the State Treasurer's designee;***
- 7. The Executive Director of the Chesapeake Bay Commission, or the Executive Director's designee;***

- 8. Two county government representatives with expertise and experience in accounting and budgeting, selected by the Maryland Association of Counties;**
- 9. Two municipal government representatives with expertise and experience in accounting and budgeting, selected by the Maryland Municipal League; and**
- 10. The following members, appointed by the Secretary of the Environment:**
 - a. One representative of the Maryland Association of Certified Public Accountants;**
 - b. One representative with expertise in sustainability standards and disclosure related to the environmental and social issues relevant to financial performance;**
 - c. Two representatives of local water utilities who serve as chief financial officers or their functional equivalents; and**
 - d. Two representatives of nonpoint organizations that advocate on behalf of the public's interest in the State's natural resources.**

The Secretary of the Environment, or the Secretary's designee, and the Director of the University of Maryland Environmental Finance Center, or the Director's designee, shall serve as co chairs of the Task Force. The Department of the Environment and the University of Maryland Environmental Finance Center shall provide staff for the Task Force.