

SENATE BILL 554

M3

9lr1064
CF HB 176

By: **Senators Lenett, Conway, Currie, Della, Forehand, Frosh, Garagiola, Gladden, Harrington, Jones, Kasemeyer, Kelley, Klausmeier, Madaleno, McFadden, Miller, Muse, Pinsky, Pugh, Raskin, and Robey**

Introduced and read first time: February 5, 2009

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 26, 2009

CHAPTER _____

1 AN ACT concerning

2 **Chesapeake Bay Nitrogen Reduction Act of 2009**

3 FOR the purpose of prohibiting the installation of an on-site sewage disposal system
4 in the Chesapeake and Atlantic Coastal Bays Critical Area to service a newly
5 constructed building unless the system utilizes nitrogen removal technology;
6 prohibiting the ~~repair or~~ replacement of an on-site sewage disposal system in
7 the Chesapeake and Atlantic Coastal Bays Critical Area unless the ~~repaired or~~
8 replacement on-site sewage disposal system utilizes nitrogen removal
9 technology; requiring the Department of the Environment to assist homeowners
10 in paying for certain costs under certain circumstances; establishing ~~a~~ certain
11 ~~penalty~~ penalties and enforcement mechanisms for a certain violation; requiring
12 the Department to adopt certain regulations; defining certain terms; providing a
13 subtraction modification under the Maryland income tax for certain costs
14 related to certain disposal systems that exceed the amount of assistance the
15 Department provides; providing for the application of certain provisions of this
16 Act; and generally relating to on-site sewage disposal systems with nitrogen
17 removal technology.

18 BY adding to

19 Article – Environment

20 Section 9-1108

21 Annotated Code of Maryland

22 (2007 Replacement Volume and 2008 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, without amendments,
 2 Article – Tax – General
 3 Section 10–208(a)
 4 Annotated Code of Maryland
 5 (2004 Replacement Volume and 2008 Supplement)

6 BY adding to
 7 Article – Tax – General
 8 Section 10–208(q)
 9 Annotated Code of Maryland
 10 (2004 Replacement Volume and 2008 Supplement)

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

13 **Article – Environment**

14 **9–1108.**

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

17 (2) “NITROGEN REMOVAL TECHNOLOGY” MEANS THE BEST
 18 AVAILABLE TECHNOLOGY FOR THE REMOVAL OF NITROGEN.

19 (3) “ON-SITE SEWAGE DISPOSAL SYSTEM” MEANS A SEWAGE
 20 TREATMENT UNIT, COLLECTION SYSTEM, DISPOSAL AREA, AND RELATED
 21 APPURTENANCES.

22 (B) A PERSON MAY NOT ~~INSTALL:~~

23 (1) INSTALL, OR HAVE INSTALLED, ON PROPERTY A PERSON
 24 OWNS IN THE STATE IN THE CHESAPEAKE AND ATLANTIC COASTAL BAYS
 25 CRITICAL AREA, AN ON-SITE SEWAGE DISPOSAL SYSTEM ~~IN THE STATE TO~~
 26 SERVICE A NEWLY CONSTRUCTED BUILDING, UNLESS THE ON-SITE SEWAGE
 27 DISPOSAL SYSTEM UTILIZES NITROGEN REMOVAL TECHNOLOGY; OR

28 (2) REPAIR OR REPLACE, OR HAVE REPAIRED OR REPLACE OR
 29 HAVE REPLACED, AN EXISTING ON-SITE SEWAGE DISPOSAL SYSTEM ON
 30 PROPERTY A PERSON OWNS IN THE STATE IN THE CHESAPEAKE AND ATLANTIC
 31 COASTAL BAYS CRITICAL AREA, UNLESS THE ~~REPAIRED OR~~ REPLACEMENT
 32 ON-SITE SEWAGE DISPOSAL SYSTEM UTILIZES NITROGEN REMOVAL
 33 TECHNOLOGY.

34 (C) IN ACCORDANCE WITH § 9–1605.2(H) OF THIS TITLE, THE
 35 DEPARTMENT SHALL ASSIST HOMEOWNERS IN PAYING THE COST DIFFERENCE

1 BETWEEN A CONVENTIONAL ON-SITE SEWAGE DISPOSAL SYSTEM AND A SYSTEM
2 THAT UTILIZES NITROGEN REMOVAL TECHNOLOGY WITH MONEY FROM THE BAY
3 RESTORATION FUND, IF SUFFICIENT FUNDS ARE AVAILABLE.

4 (D) (1) ~~A SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A~~
5 ~~PERSON WHO VIOLATES SUBSECTION (B) OF THIS SECTION IS GUILTY OF A~~
6 ~~MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING~~
7 ~~\$1,000. SUBJECT TO THE CIVIL AND ADMINISTRATIVE PENALTIES AND THE~~
8 ~~ENFORCEMENT MECHANISMS PROVIDED IN §§ 9-334 THROUGH 9-342 OF THIS~~
9 ~~TITLE.~~

10 (2) THE PENALTIES IMPOSED UNDER THIS SECTION MAY NOT
11 EXCEED \$1,000 PER DAY \$8,000.

12 (3) ~~EACH DAY THAT A VIOLATION CONTINUES IS A SEPARATE~~
13 ~~OFFENSE UNDER THIS SECTION.~~

14 (E) (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO
15 IMPLEMENT THIS SECTION.

16 (2) THE REGULATIONS ADOPTED IN ACCORDANCE WITH
17 PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE PROVISIONS TO ENSURE
18 THAT APPROPRIATE MANAGEMENT MEASURES ARE PROVIDED FOR THE
19 OPERATION AND MAINTENANCE OF NITROGEN REMOVAL TECHNOLOGY.

20 Article - Tax - General

21 10-208.

22 (a) In addition to the modification under § 10-207 of this subtitle, the
23 amounts under this section are subtracted from the federal adjusted gross income of a
24 resident to determine Maryland adjusted gross income.

25 (Q) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE
26 THE MEANINGS INDICATED.

27 (II) “NITROGEN REMOVAL TECHNOLOGY” HAS THE
28 MEANING STATED IN § 9-1108 OF THE ENVIRONMENT ARTICLE.

29 (III) “ON-SITE SEWAGE DISPOSAL SYSTEM” HAS THE
30 MEANING STATED IN § 9-1108 OF THE ENVIRONMENT ARTICLE.

31 (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
32 INCLUDES THE AMOUNT BY WHICH THE COST DIFFERENCE BETWEEN A
33 CONVENTIONAL ON-SITE SEWAGE DISPOSAL SYSTEM AND A SYSTEM THAT

1 UTILIZES NITROGEN REMOVAL TECHNOLOGY EXCEEDS THE AMOUNT OF
 2 ASSISTANCE THE DEPARTMENT OF THE ENVIRONMENT PROVIDES THE
 3 HOMEOWNER UNDER § 9-1108 OF THE ENVIRONMENT ARTICLE.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 5 October 1, 2009. The subtraction modification under § 10-208(q) of the Tax – General
 6 Article, as enacted by this Act, shall be applicable to all taxable years beginning after
 7 December 31, 2009.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.