

HOUSE BILL 90

M3

6lr0634

By: **Delegate Lafferty**

Introduced and read first time: January 18, 2016

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 23, 2016

CHAPTER _____

1 AN ACT concerning

2 **On-Site Sewage Disposal Systems – Operation and Maintenance Costs –**
3 **Low-Income Homeowners**

4 FOR the purpose of ~~requiring the Department of the Environment to assist, with money~~
5 ~~from the Bay Restoration Fund, low-income homeowners with~~ authorizing certain
6 fee revenue collected for the Bay Restoration Fund to be used for financial assistance
7 to certain low-income homeowners for the cost, up to a certain percent, of certain
8 operation and maintenance contracts for on-site sewage disposal systems that
9 utilize nitrogen removal technology; requiring the Department or a local government
10 to determine applicant eligibility and the amount of assistance to be provided;
11 ~~defining certain terms;~~ and generally relating to on-site sewage disposal systems.

12 BY repealing and reenacting, without amendments,

13 Article – Environment

14 Section 9-1605.2(h)(1)

15 Annotated Code of Maryland

16 (2014 Replacement Volume and 2015 Supplement)

17 BY repealing and reenacting, with amendments,

18 Article – Environment

19 Section ~~9-1108~~ 9-1605.2(h)(2)

20 Annotated Code of Maryland

21 (2014 Replacement Volume and 2015 Supplement)

22 BY adding to

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 Article – Environment
 2 Section 9–1605.2(h)(7)
 3 Annotated Code of Maryland
 4 (2014 Replacement Volume and 2015 Supplement)

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

7 **Article – Environment**

8 ~~9–1108.~~

9 (a) (1) ~~In this section the following words have the meanings indicated.~~

10 (2) ~~“LOW-INCOME HOMEOWNER” MEANS A HOMEOWNER WITH AN~~
 11 ~~INCOME THAT IS 60% OR LESS OF THE AREA MEDIAN INCOME.~~

12 (3) ~~“Nitrogen removal technology” means the best available technology for~~
 13 ~~the removal of nitrogen.~~

14 (3) (4) ~~“On-site sewage disposal system” means a sewage treatment~~
 15 ~~unit, collection system, disposal area, and related appurtenances.~~

16 (5) ~~“VENDOR” HAS THE MEANING STATED IN § 9–1108.1 OF THIS~~
 17 ~~SUBTITLE.~~

18 (b) ~~A person may not:~~

19 (1) ~~Install, or have installed, on property a person owns in the State in the~~
 20 ~~Chesapeake and Atlantic Coastal Bays Critical Area, an on-site sewage disposal system to~~
 21 ~~service a newly constructed building, unless the on-site sewage disposal system utilizes~~
 22 ~~nitrogen removal technology; or~~

23 (2) ~~Replace or have replaced, an existing on-site sewage disposal system~~
 24 ~~on property a person owns in the State in the Chesapeake and Atlantic Coastal Bays~~
 25 ~~Critical Area, unless the replacement on-site sewage disposal system utilizes nitrogen~~
 26 ~~removal technology.~~

27 (c) (1) ~~Subject to paragraph (2) of this subsection and in accordance with §~~
 28 ~~9–1605.2(h) of this title, the Department shall assist homeowners in paying the cost~~
 29 ~~difference between a conventional on-site sewage disposal system and a system that~~
 30 ~~utilizes nitrogen removal technology with money from the Bay Restoration Fund, if~~
 31 ~~sufficient funds are available.~~

32 (2) ~~In calendar years 2010, 2011, and 2012, the Department shall assist~~
 33 ~~homeowners by paying 100% of the cost difference between a conventional~~

~~on-site sewage disposal system and a system that utilizes nitrogen removal technology with money from the Bay Restoration Fund, if the homeowner:~~

~~(i) Is required under subsection (b)(2) of this section to replace an existing on-site sewage disposal system with an on-site sewage disposal system that utilizes nitrogen removal technology; and~~

~~(ii) Has a failing on-site sewage disposal system.~~

~~(d) (1) THE DEPARTMENT SHALL ASSIST LOW INCOME HOMEOWNERS BY PAYING UP TO 50% OF THE COST OF A 3-YEAR OPERATION AND MAINTENANCE CONTRACT FOR AN ON-SITE SEWAGE DISPOSAL SYSTEM THAT UTILIZES NITROGEN REMOVAL TECHNOLOGY WITH MONEY FROM THE BAY RESTORATION FUND.~~

~~(2) THE DEPARTMENT OR A LOCAL GOVERNMENT SHALL DETERMINE:~~

~~(i) WHETHER AN APPLICANT IS ELIGIBLE FOR ASSISTANCE UNDER THIS SUBSECTION; AND~~

~~(ii) THE AMOUNT OF ASSISTANCE TO BE PROVIDED FOR EACH APPLICANT BASED ON THE AVERAGE COST OF A 3-YEAR OPERATION AND MAINTENANCE CONTRACT PROVIDED BY VENDORS IN THE APPLICANT'S AREA.~~

~~(E) (1) Subject to paragraph (2) of this subsection, a person who violates subsection (b) of this section is subject to the civil and administrative penalties and the enforcement mechanisms provided in §§ 9-334 through 9-342 of this title.~~

~~(2) The penalties imposed under this section may not exceed \$8,000.~~

~~[(c)] (F) (1) The Department shall adopt regulations to implement this section.~~

~~(2) The regulations adopted in accordance with paragraph (1) of this subsection shall include provisions to ensure that appropriate management measures are provided for the operation and maintenance of nitrogen removal technology.~~

9-1605.2.

(h) (1) With regard to the funds collected under subsection (b)(1)(i)1 of this section from users of an on-site sewage disposal system or holding tank that receive a water bill and subsection (b)(1)(i)2 and 3 of this section, beginning in fiscal year 2006, the Comptroller shall:

(i) Establish a separate account within the Bay Restoration Fund;
and

1 (ii) Disburse the funds as provided under paragraph (2) of this
2 subsection.

3 (2) The Comptroller shall:

4 (i) Deposit 60% of the funds in the separate account to be used for:

5 1. Subject to paragraphs (3), (4), (5), and (6) of this
6 subsection, with priority first given to failing systems and holding tanks located in the
7 Chesapeake and Atlantic Coastal Bays Critical Area and then to failing systems that the
8 Department determines are a threat to public health or water quality, grants or loans for
9 up to 100% of:

10 A. The costs attributable to upgrading an on-site sewage
11 disposal system to the best available technology for the removal of nitrogen;

12 B. The cost difference between a conventional on-site sewage
13 disposal system and a system that utilizes the best available technology for the removal of
14 nitrogen;

15 C. The cost of repairing or replacing a failing on-site sewage
16 disposal system with a system that uses the best available technology for nitrogen removal;

17 D. The cost, up to the sum of the costs authorized under item
18 B of this item for each individual system, of replacing multiple on-site sewage disposal
19 systems located in the same community with a new community sewerage system that is
20 owned by a local government and that meets enhanced nutrient removal standards; or

21 E. The cost, up to the sum of the costs authorized under item
22 C of this item for each individual system, of connecting a property using an on-site sewage
23 disposal system to an existing municipal wastewater facility that is achieving enhanced
24 nutrient removal or biological nutrient removal level treatment, including payment of the
25 principal, but not interest, of debt issued by a local government for such connection costs;

26 2. The reasonable costs of the Department, not to exceed 8%
27 of the funds deposited into the separate account, to:

28 A. Implement an education, outreach, and upgrade program
29 to advise owners of on-site sewage disposal systems and holding tanks on the proper
30 maintenance of the systems and tanks and the availability of grants and loans under item
31 1 of this item;

32 B. Review and approve the design and construction of on-site
33 sewage disposal system or holding tank upgrades;

1 C. Issue grants or loans as provided under item 1 of this item;
2 and

3 D. Provide technical support for owners of upgraded on-site
4 sewage disposal systems or holding tanks to operate and maintain the upgraded systems;
5 [and]

6 3. A portion of the reasonable costs of a local public entity
7 that has been delegated by the Department under § 1-301(b) of this article to administer
8 and enforce environmental laws, not to exceed 10% of the funds deposited into the separate
9 account, to implement regulations adopted by the Department for on-site sewage disposal
10 systems that utilize the best available technology for the removal of nitrogen; and

11 4. **SUBJECT TO PARAGRAPH (7) OF THIS SUBSECTION,**
12 **FINANCIAL ASSISTANCE TO LOW-INCOME HOMEOWNERS, AS DEFINED BY THE**
13 **DEPARTMENT, FOR UP TO 50% OF THE COST OF A 3-YEAR OPERATION AND**
14 **MAINTENANCE CONTRACT FOR AN ON-SITE SEWAGE DISPOSAL SYSTEM THAT**
15 **UTILIZES NITROGEN REMOVAL TECHNOLOGY; AND**

16 (ii) Transfer 40% of the funds to the Maryland Agriculture Water
17 Quality Cost Share Program in the Department of Agriculture in order to fund cover crop
18 activities.

19 (7) **THE DEPARTMENT OR A LOCAL GOVERNMENT SHALL**
20 **DETERMINE:**

21 (i) **WHETHER AN APPLICANT IS ELIGIBLE FOR FINANCIAL**
22 **ASSISTANCE UNDER PARAGRAPH (2)(I)4 OF THIS SUBSECTION; AND**

23 (ii) **THE AMOUNT OF FINANCIAL ASSISTANCE TO BE PROVIDED**
24 **FOR EACH APPLICANT BASED ON THE AVERAGE COST OF A 3-YEAR OPERATION AND**
25 **MAINTENANCE CONTRACT PROVIDED BY VENDORS, AS DEFINED IN § 9-1108.1 OF**
26 **THIS TITLE, IN THE APPLICANT'S AREA.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2016.