



CHESAPEAKE BAY FOUNDATION

Environmental Protection and Restoration
Environmental Education

HB 94

Environment – Water Quality Revolving Loan Fund – Use of Fund

Date: March 24, 2021

To: Senate Education, Health,
and Environmental Affairs Committee

Position: Support

From: Erik Fisher, AICP, Assistant Director

Chesapeake Bay Foundation (CBF) **SUPPORTS** HB 94, which would allow the Water Quality Revolving Loan Fund (WRF) to back bonds and other debt issued by local governments to install clean water practices.

Maryland's counties and towns are working to meet substantial water pollution reduction obligations

Maryland's Clean Water Blueprint places significant responsibility with local governments to increase natural filters, reduce polluted runoff, and address septic system effluent. State-issued "MS4" permits require urban and suburban jurisdictions to retrofit previously untreated hardened surfaces – or complete other projects to offset their impact. The Blueprint also provides rural jurisdictions with pollution reduction goals to address stormwater, septic systems, and restore wetlands, shorelines, and stream buffers.

Expanding local capacity to fund pollution-reduction projects is critical to meet clean water goals by 2025

Data from the Chesapeake Bay Program show that progress reducing pollution from stormwater and septic systems is significantly off-track.¹ In addition, progress to install natural filters in the landscape is lagging.² A recent analysis by the Department of Legislative Services shows that the state currently invests less than \$15M in stormwater practices annually, a mere 3% of total Bay-related funding provided.³ Additional financing capacity at the local level would encourage the use of long-lasting, cost-effective green infrastructure practices that provide important co-benefits for climate, public health, and community character.

HB 94 provides local governments with a proven and voluntary financing tool to accelerate key projects

The WRF is an established, historically stable funding source. An existing authorization allows the WRF to back local borrowing for wastewater treatment works. Expanding this authorization would allow Maryland's counties and towns to leverage federal funding to strengthen local borrowing capacity for a broader array of clean water projects. With pollution-reduction upgrades at wastewater treatment plants nearly complete, it is timely and appropriate to offer this same tool to accelerate the remaining work.

CBF urges the Committee's FAVORABLE report on HB 94. For more information, contact Robin Jessica Clark, Maryland Staff Attorney, at rclark@cbf.org and 443.995.8753.

¹ Chesapeake Bay Foundation. "[CBF Report – The State of the Blueprint](#)." May 28, 2019.

² Maryland Department of the Environment, "Appendix B – Sector Reports," in Maryland's Final Phase III WIP (2019).

³ Department of Legislative Services, Analysis of the FY 2019 Maryland Executive Budget (2018).

Maryland Office • Philip Merrill Environmental Center • 6 Herndon Avenue • Annapolis • Maryland • 21403
Phone (410) 268-8816 • Fax (410) 280-3513