M3 6lr1431

By: Senators Stoltzfus, Brinkley, Colburn, Greenip, Hafer, Haines, Harris, Hooper, Jacobs, Kittleman, Mooney, Munson, and Pipkin

Introduced and read first time: January 20, 2006

Assigned to: Education, Health, and Environmental Affairs

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#### A BILL ENTITLED

1	ΑN	ACT	concerning
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## 2 Environment - Bay Restoration Fund - Exemption

- 3 FOR the purpose of repealing the requirement that users of onsite sewage disposal
- 4 systems and holding tanks pay certain Bay restoration fees; repealing certain
- 5 provisions of law relating to the identification of users of onsite sewage disposal
- 6 systems and holding tanks; repealing certain provisions of law relating to the
- 7 collection and accounting of certain fees from users of onsite sewage disposal
- 8 systems or holding tanks; altering the uses of the Bay Restoration Fund;
- 9 repealing certain provisions of law relating to certain education, outreach, and
- upgrade programs for owners of onsite sewage disposal systems and holding
- tanks; and generally relating to the Bay Restoration Fund.
- 12 BY repealing and reenacting, with amendments,
- 13 Article Environment
- 14 Section 9-1601 and 9-1605.2
- 15 Annotated Code of Maryland
- 16 (1996 Replacement Volume and 2005 Supplement)
- 17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 18 MARYLAND, That the Laws of Maryland read as follows:
- 19 Article Environment
- 20 9-1601.
- 21 (a) Unless the context clearly requires otherwise, in this subtitle the following
- 22 words have the meanings indicated.
- 23 (b) "Administration" means the Maryland Water Quality Financing
- 24 Administration.
- 25 (c) "Bay Restoration Fund" means the Bay Restoration Fund established
- 26 under § 9-1605.2 of this subtitle.

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(2)

**UNOFFICIAL COPY OF SENATE BILL 174** 1 (d) "Biological nutrient removal" means a biological nutrient removal 2 technology capable of reducing the nitrogen in wastewater effluent to not more than 8 milligrams per liter, as calculated on an annually averaged basis. "Board" means the Board of Public Works. 4 (e) 5 "Bond" means a bond, note, or other evidence of obligation of the (f) 6 Administration issued under this subtitle, including a bond or revenue anticipation 7 note, notes in the nature of commercial paper, and refunding bonds. 8 "Bond resolution" means the resolution or resolutions of the Director, 9 including the trust agreement, if any, authorizing the issuance of and providing for the terms and conditions applicable to bonds. 11 (h) "Borrower" means a local government or a person as defined in § 1-101(h) 12 of this article who has received a loan. 13 (i) "Director" means the Director of the Administration. 14 "Drinking Water Loan Fund" means the Maryland Drinking Water (j) 15 Revolving Loan Fund. (k) "Eligible costs" means the costs identified under § 9-1605.2(i) of this 16 17 subtitle. 18 (1) "Enhanced nutrient removal" means: 19 An enhanced nutrient removal technology that is capable of reducing (1) 20 the nitrogen and phosphorus concentrations in wastewater effluent to concentrations of not more than 3 milligrams per liter total nitrogen and not more than 0.3 milligrams per liter total phosphorus, as calculated on an annually averaged basis; or 23 If the Department has determined that the concentrations under 24 item (1) of this subsection are not practicable for a wastewater facility, the lowest average annual wastewater effluent nitrogen and phosphorus concentrations that the Department determines are practicable for that facility. 27 "Equivalent dwelling unit" means a measure of wastewater effluent where 28 one unit is equivalent to: 29 If a local government or billing authority for a wastewater facility has (1) 30 established a definition for "equivalent dwelling unit" on or before January 1, 2004, 31 the average daily flow of wastewater effluent that the local government or billing

authority has established to be equivalent to the average daily flow of wastewater effluent discharged by a residential dwelling, which may not exceed 250 gallons; or

35 definition for "equivalent dwelling unit" on or before January 1, 2004, or if a local 36 government or billing authority has established a definition that exceeds 250 gallons

If a local government or billing authority has not established a

- 1 of wastewater effluent per day, an average daily flow of 250 gallons of wastewater 2 effluent.
- 3 (n) "Facility" means a wastewater facility or all or a portion of a water supply 4 system as defined in § 9-201(u) of this article.
- 5 "Federal Safe Drinking Water Act" means Title XIV of the Public Health
- 6 Service Act, P.L. 93-523, as amended, 42 U.S.C. § 300f, et seq., and the rules and
- 7 regulations promulgated thereunder.
- 8 "Federal Water Pollution Control Act" means the Water Pollution Control
- 9 Act of 1972, P.L. 92-500, as amended, 33 U.S.C. § 1251, et seq., and rules and
- 10 regulations promulgated thereunder.
- 11 "Fund" means a fund established by this subtitle, including the Water
- 12 Quality Fund, the Drinking Water Loan Fund, and the Bay Restoration Fund.
- 13 (r) "Grant" means a grant from the Administration to a grantee.
- 14 "Grant agreement" means a written agreement between the (s)
- 15 Administration and a grantee with respect to a grant.
- 16 "Grantee" means the grant recipient. (t)
- 17 (u) "Lender" has the meaning stated in § 9-1606.1 of this subtitle.
- 18 (v) "Linked deposit" has the meaning stated in § 9-1606.1 of this subtitle.
- 19 (w) "Linked deposit loan" has the meaning stated in § 9-1606.1 of this subtitle.
- 20 "Linked deposit program" has the meaning stated in § 9-1606.1 of this (x)
- 21 subtitle.
- 22 (y) "Loan" means a loan from the Administration to a borrower for the purpose
- of financing all or a portion of the cost of a wastewater facility, if the loan is from the
- 24 Water Quality Fund, or water supply system, if the loan is from the Drinking Water
- 25 Loan Fund.
- "Loan agreement" means a written agreement between the Administration 26 (z)
- 27 and a borrower with respect to a loan.
- 28 "Loan obligation" means a bond, note, or other evidence of obligation,
- 29 including a mortgage, deed of trust, lien, or other security instrument, issued or
- 30 executed by a borrower to evidence its indebtedness under a loan agreement with
- 31 respect to a loan.
- 32 (bb) (1)"Local government" means a county, municipal corporation, sanitary
- 33 district, or other State or local public entity which has authority to own or operate a
- 34 facility.

	public entities u or operate a fac	under pa		government" includes any combination of two or more of the (1) of this subsection when acting jointly to construct
	(cc) (1 the State, any u government.			" means an individual, corporation, partnership, association, commission, special taxing district, or the federal
9		agency the Cod	under A	" does not include a county, municipal corporation, bi-county article 28 or 29 of the Code, housing authority under bl board, community college, or any other unit of a county
13 14	with facilities t sanitation, and	by an inthat are eating,	ndividua used or includia	ntial dwelling" means a room or group of rooms occupied as al, a single family, or other discrete group of persons intended to be used for living, sleeping, cooking, an apartment unit, condominium unit, cooperative home, or house.
	boarding house transient facilit	e, club,		ntial dwelling" does not include a hospital, hotel, motel, inn, ry, school, college, or similar seasonal, institutional, or
19 20				ans a discrete grouping of buildings or structures that are cent property and owned by the same user.
21	(ff) (1	1)	"User" r	means any person discharging wastewater to[:
22 23	national pollut		(i) harge el	A] A wastewater facility that has a State discharge permit or limination system discharge permit[;
24			(ii)	An onsite sewage disposal system; or
25			(iii)	A sewage holding tank].
26 27	under a stormy	*		does not include a person whose sole discharge is stormwater
30 31 32 33 34 35 36	structure, mach is acquired, use neutralization, of wastewater, wastewater, inc sewers, and co programs and p estuarine conse	hinery, a ed, cons stabiliz or for t cluding llector s projects ervation	apparatustructed, cation, rethe final treatmessewers; so for containing and ma	lity" means any equipment, plant, treatment works, as, interest in land, or any combination of these, which or operated for the storage, collection, treatment, eduction, recycling, reclamation, separation, or disposal disposal of residues resulting from the treatment of ent or disposal plants; outfall sewers, interceptor pumping and ventilating stations, facilities, and works; trolling nonpoint sources of water pollution and for magement; and other real or personal property and redevelopment, use, or operation.

1 2	(hh) Fund.	"Water	Quality F	fund" means the Maryland Water Quality Revolving Loan
3	(ii)	"Water	supply sy	stem" has the meaning stated in § 9-201(u) of this title.
4	9-1605.2.			
5	(a)	(1)	There is	a Bay Restoration Fund.
6 7	Fund be:	(2)	It is the	intent of the General Assembly that the Bay Restoration
10				Used, in part, to provide the funding necessary to upgrade any cilities that are located in the State or used by citizens e enhanced nutrient removal where it is cost-effective to
	•			Available for treatment facilities discharging into the Atlantic of the State, but that priority be given to treatment Chesapeake Bay.
			accorda	Restoration Fund shall be maintained and administered by nee with the provisions of this section and any rules or retary or the Board may prescribe.
18 19	wastewater	(4) facility[,		established a Bay restoration fee to be paid by any user of a sewage disposal system, or a holding tank] that:
20			(i)	Is located in the State; or
21 22	subtitle.		(ii)	Serves a Maryland user and is eligible for funding under this
23	(b)	(1)	The Bay	restoration fee is:
				Beginning January 1, 2005, for each residential dwelling that ill [and each user of an onsite sewage disposal system a water bill], \$2.50 per month; AND
27 28	disposal sys	tem that o	(ii) does not 1	[Beginning October 1, 2005, for each user of an onsite sewage receive a water bill, \$30 per year;
29 30	tank that do	es not rec	(iii) eeive a wa	Beginning October 1, 2005, for each user of a sewage holding ater bill, \$30 per year; and
33		idential d		Beginning January 1, 2005, for a building or group of buildings nagement that receives a sewer bill and that contains that do not receive an individual sewer bill or for a

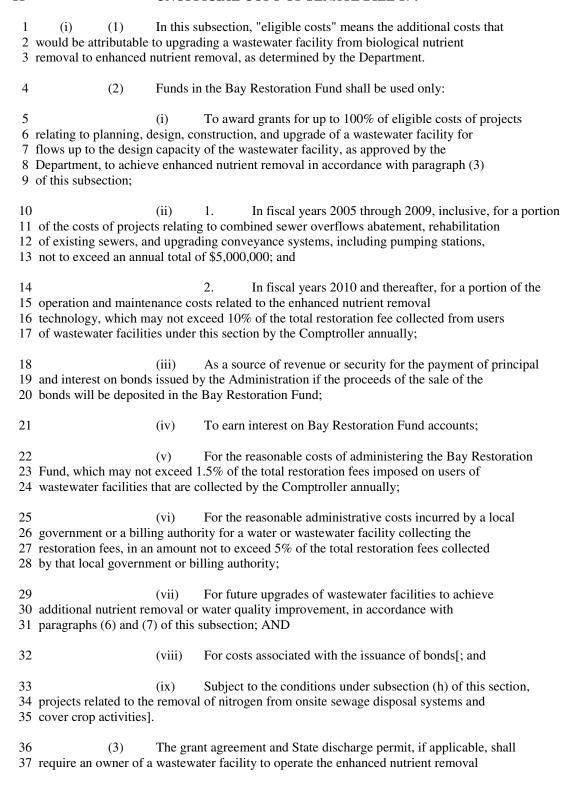
1 2	1. For each equivalent dwelling unit not exceeding 3,000 equivalent dwelling units, \$2.50 per month;
	2. For each equivalent dwelling unit exceeding 3,000 equivalent dwelling units and not exceeding 5,000 equivalent dwelling units, \$1.25 per month; and
6 7	3. For each equivalent dwelling unit exceeding 5,000 equivalent dwelling units, zero.
10 11 12	(2) [(i)] For a residential dwelling that receives an individual sewer bill, [a user of an onsite sewage disposal system or a holding tank that receives a water bill,] a building or group of buildings under single ownership or management that receives a water and sewer bill and that contains multiple residential dwellings that do not receive an individual sewer bill, and a nonresidential user, the restoration fee shall be:
14 15	$[1.] \hspace{0.5cm} \text{(I)} \hspace{0.5cm} \text{Stated in a separate line on the sewer or water bill,} \\ \text{as appropriate, that is labeled "Bay Restoration Fee"; and} \\$
	[2.] (II) Collected for each calendar quarter, unless a local government or billing authority for a water or wastewater facility established some other billing period on or before January 1, 2004.
21	[(ii) 1. A. If the user does not receive a water bill, for users of an onsite sewage disposal system and for users of a sewage holding tank, the county in which the onsite sewage disposal system or holding tank is located shall be responsible for collecting the restoration fee.
25	B. A county may negotiate with a municipal corporation located within the county for the municipal corporation to collect the restoration fee from onsite sewage disposal systems and holding tanks located in the municipal corporation.
29	2. The governing body of each county, in consultation with the Bay Restoration Fund Advisory Committee, shall determine the method and frequency of collecting the restoration fee under subsubparagraph 1 of this subparagraph.]
31 32	(3) The total fee imposed under paragraph (1) of this subsection may not exceed \$120,000 annually for a single site.
35	(4) (i) For purposes of measuring average daily wastewater flow, the local government or billing authority for a wastewater facility shall use existing methods of measurement, which may include water usage or other estimation methods.
37	(ii) The averaging period is:

1 2	billing authority; or	1.	The billing period established by the local government or
3	government or billing authority	2. y, a quart	If a billing period is not established by the local er of a calendar year.
5	(c) A user of a waste	ewater fac	cility is exempt from paying the restoration fee if:
8	monitoring reports for the prev	ious cale	The user's wastewater facility's average annual effluent, as reported in the facility's State discharge ndar year, demonstrate that the facility is defined under § 9-1601(1) of this subtitle; or
			The Department has determined that the wastewater phosphorus and is not required to monitor for permit; and
13 14	(ii) federal grant for that facility;	The user	r's wastewater facility has not received a State or
17 18 19	the annual average nutrient co groundwater have not exceeded milligrams per liter total phos	oncentration ed 3 milli phorus, as wells loc	r's wastewater facility discharges to groundwater and ons in the wastewater prior to discharge to grams per liter total nitrogen and 0.3 s demonstrated by analysis of the rated on the property and as reported in evious calendar year; and
21 22	(ii) State grant for that facility; or		r's wastewater facility has not received a federal or
23	(3) The Dep	partment	determines that:
		operation	r's wastewater facility discharges noncontact cooling as, or reclaimed wastewater from a facility
27 28	(ii) nutrients compared to the inta		charge does not result in a net increase in loading of
31	billing authority for a water or	r wastewa section a	proval of the Administration, a local government or a ster facility may establish a program to exempt residential dwelling able to demonstrate t of the restoration fee.
	Bay restoration fee shall be co	ollected by	as provided in subparagraph (ii) of this paragraph, the y the local government or the billing authority appropriate, on behalf of the State.
36 37	(ii) Comptroller may collect the re		astewater facility without a billing authority, the fee from the facility owner.

1 2	(3) A local government, billing authority for a water or wastewater facility, or any other authorized collecting agency:	
	(i) May use all of its existing procedures and authority for collecting a water or sewer bill[, an onsite sewage disposal system bill, or a holding tank bill] in order to enforce the collection of the Bay restoration fee; and	
6 7	(ii) Shall establish a segregated account for the deposit of funds collected under this section.	
	(e) (1) A local government, the billing authority for a water or wastewater facility, or any other authorized collecting agency shall complete and submit, under oath, a return and remit the restoration fees collected to the Comptroller:	
11 12	(i) On or before the 20th day of the month that follows the calendar quarter in which the restoration fee was collected; and	
13 14	(ii) For other periods and on other dates that the Comptroller may specify by regulation, including periods in which no restoration fee has been collected.	
17	(2) Except to the extent of any inconsistency with this subsection, the provisions of Title 13 of the Tax - General Article that are applicable to the sales and use tax shall govern the administration, collection, and enforcement of the restoration fee under this section.	
19 20	(3) The Comptroller may adopt regulations necessary to administer, collect, and enforce the restoration fee.	
23	(4) (i) From the restoration fee revenue, the Comptroller shall distribute to an administrative cost account the amount that is necessary to administer the fee, which may not exceed 0.5% of the fees collected by the Comptroller.	
	(ii) After making the distribution required under subparagraph (i) of this paragraph, the Comptroller shall deposit the restoration fee in the Bay Restoration Fund.	
	(5) The State Central Collection Unit may collect delinquent accounts under this section in accordance with § 3-302 of the State Finance and Procurement Article.	
31	(f) (1) (i) The Bay Restoration Fund is a special, continuing, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article and	
32 33	shall be available in perpetuity for the purpose of providing financial assistance in accordance with the provisions of this section.	

1 2	providing fin	(2) nancial as		Restoration Fund shall be available for the purpose of n accordance with the provisions of this section for:
5				Eligible costs of projects relating to planning, design, wastewater facilities to achieve enhanced nutrient ditions of a grant agreement and a discharge permit;
7			(ii)	All projects identified in subsections (h) and (i) of this section.
10			tion of ar	to the provisions of any applicable bond resolution regarding mounts in the Bay Restoration Fund, the Treasurer Comptroller shall account for, the Bay Restoration
			ounts in t	to the provisions of any applicable bond resolution governing he Bay Restoration Fund, the Bay Restoration Fund d in the same manner as other State funds.
15 16	Restoration	(5) Fund.	Any inv	estment earnings shall be retained to the credit of the Bay
17 18	Legislative A	(6) Audits as		Restoration Fund shall be subject to audit by the Office of under § 2-1220 of the State Government Article.
19 20	accordance	(7) with §§ 9		ministration shall operate the Bay Restoration Fund in rough 9-1621 of this subtitle.
21	(g)	There sh	nall be de	posited in the Bay Restoration Fund:
22		(1)	Funds re	eceived from the restoration fee;
23		(2)	Net proc	eeds of bonds issued by the Administration;
24 25	Bay Restora	(3) ation Fund		or other income earned on the investment of money in the
26 27	private, for t	(4) the purpo	•	litional money made available from any sources, public or hich the Bay Restoration Fund has been established.
			vage disp	gard to the funds collected under subsection (b)(1)(i), from osal system or holding tank that receive a water bill, eginning in fiscal year 2006, the Comptroller shall:
31 32	and		(i)	Establish a separate account within the Bay Restoration Fund;
33 34	subsection.		(ii)	Disburse the funds as provided under paragraph (2) of this
35		(2)	The Cor	nptroller shall:

1	(i)	Deposit	60% of the funds in the separate account to be used for:
	located in the Chesapeake and up to 100% of:	1. Atlantic	With priority given to failing systems and holding tanks Coastal Bays Critical Area, grants or loans for
5 6	disposal system to the best ava	A. ailable tec	The costs attributable to upgrading an onsite sewage chnology for the removal of nitrogen; or
	disposal system and a system removal of nitrogen; and	B. hat utiliz	The cost difference between a conventional onsite sewage es the best available technology for the
10 11	of the funds deposited into the	2. e separate	The reasonable costs of the Department, not to exceed 8% account, to:
14	to advise owners of onsite sev		Implement an education, outreach, and upgrade program osal systems and holding tanks on the proper and the availability of grants and loans under
16 17	sewage disposal system or ho	B. lding tanl	Review and approve the design and construction of onsite a upgrades;
18 19	1 of this subparagraph; and	C.	Issue grants or loans as provided under subsubparagraph
		D. olding tan	Provide technical support for owners of upgraded onsite alks to operate and maintain the upgraded
			40% of the funds to the Maryland Agriculture Water partment of Agriculture in order to fund cover
	\ /-	-	in consultation with the Administration, may accounts within the Bay Restoration Fund as
29	[(i)]	(1)	Effectuate the purposes of this subtitle;
30	[(ii)]	(2)	Comply with the provisions of any bond resolution;
31 32	[(iii)] any grant or award to the Bay	(3) Restorati	Meet the requirements of any federal or State law or of ion Fund; and
33 34	[(iv)] Secretary or the Board.	(4)	Meet any rules or program directives established by the



				nutrient removal capability of the facility in oval performance levels.
			tion Fund	tewater facilities serving Maryland users that have d are eligible for grants under this section, reatment Plant in the District of Columbia.
8 9	each party to the Blue	e Plains In the upgra	astewater ntermunionde costs	restriction for the subsection f
	to enhanced nutrient capacity of 500,000	removal	upgrades	ing an upgrade of a wastewater facility shall be given at wastewater facilities with a design or day.
	determined by the D		t based o	gibility and priority ranking of a project shall be n criteria established in regulations adopted subsection (k) of this section.
17 18	appropriate, consider	(ii) ration of:	The crit	eria adopted by the Department shall include, as
19			1.	The cost-effectiveness in providing water quality benefit
20 21		npaired u	2. nder Sect	The water quality benefit to a body of water identified by ion 303(d) of the Clean Water Act;
22 23	construction; and		3.	The readiness of a wastewater facility to proceed to
24 25	wastewater facility.		4.	The nitrogen and phosphorus loads discharged by a
28	funds from the Depa	rtment un be requir	nder this sed to upg	cility that has not been offered or has not received section or from any other fund in the grade to enhanced nutrient removal levels, eral or State law.
30	(j) (1)	There is	a Bay R	estoration Fund Advisory Committee.
31	(2)	The Co	mmittee o	consists of the following members:
32 33	Natural Resources, a	(i) nd Budge		cretaries of the Environment, Agriculture, Planning, anagement, or their designees;
34 35	Senate;	(ii)	One me	mber of the Senate, appointed by the President of the

1 2	Speaker of the House	(iii) of Deleg	One member of the House of Delegates, appointed by the ates;
3	facilities, appointed by	(iv) y the Gov	Two individuals representing publicly owned wastewater vernor;
5 6	appointed by the Gove	(v) ernor;	Two individuals representing environmental organizations,
7 8	and the Maryland Mu	(vi) nicipal L	One individual each from the Maryland Association of Countie eague, appointed by the Governor;
9 10	appointed by the Gov	(vii) ernor;	Two individuals representing the business community,
11 12	have expertise in onsi	(viii) ite sewag	Two individuals representing local health departments who e disposal systems, appointed by the Governor; and
13 14	who has expertise in	(ix) nutrient p	One individual representing a university or research institute pollution, appointed by the Governor.
15 16	(3) designated members		vernor shall appoint the chairman of the Committee from the mmittee.
17 18	(4) necessary.	The Cor	nmittee may consult with any stakeholder group as it deems
19	(5)	(i)	The term of a member is 4 years.
20		(ii)	A member continues to serve until a successor is appointed.
	staggered as required October 1, 2004.	(iii) by the te	The terms of the members appointed by the Governor are erms provided for members of the Committee on
24 25	successor is appointed	(iv) d and qua	At the end of a term, a member continues to serve until a alifies.
26 27	for the rest of the term	(v) n and unt	A member who is appointed after a term has begun serves only il a successor is appointed and qualifies.
28	(6)	The Cor	nmittee shall:
29 30	wastewater facilities;	(i)	Perform an analysis of the cost of nutrient removal from
31 32	Fund;	(ii)	Identify additional sources for funding the Bay Restoration
33 34	Restoration Fund in r	(iii) educing 1	Make recommendations to improve the effectiveness of the Bay nutrient loadings to the waters of the State;

	(iv) fee to be assessed in fiscal yea financing needs of the Bay Re	Make recommendations regarding the appropriate restoration r 2008 and subsequent years as necessary to meet the storation Fund;
4	[(v)	In consultation with the governing body of each county:
5 6	holding tanks; and	1. Identify users of onsite sewage disposal systems and
		2. Make recommendations to the governing body of each collecting the Bay restoration fee from the users of s and holding tanks that do not receive water bills;
	· /	Advise the Department on the components of an education, mestablished within the Department under subsection
15	supplemental assistance progr	(V) Study the availability of money from the Fund for the ram within the Department to provide grants to antaged communities in the State to upgrade their atment facilities;
17 18	E( ' / )	(VI) Advise the Secretary concerning the adoption of bsection (k) of this section; and
	[(ix)] report to the Governor and, su General Assembly on its findi	(VII) Beginning January 1, 2006, and every year thereafter, bject to § 2-1246 of the State Government Article, the ngs and recommendations.
22	(7) Member	rs of the Committee:
23	(i)	May not receive compensation; but
24 25	(ii) State Travel Regulations, as p	Are entitled to reimbursement for expenses under the Standard rovided in the State budget.
	Department of Planning, Department	partment of the Environment, Department of Agriculture, artment of Natural Resources, and Department of I provide staff support for the Committee.
29 30	(k) The Department to carry out the provisions of	shall adopt regulations that are necessary or appropriate this section.
31	SECTION 2 AND BE IT	FUPTHER ENACTED. That this Act shall take affect

- 31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 32 October 1, 2006.