

SENATE BILL 213

M1, M3

(8lr0260)

ENROLLED BILL

—*Education, Health, and Environmental Affairs / Environmental Matters*—

Introduced by **The President (By Request - Administration) and Senators Frosh, Garagiola, Gladden, King, Madaleno, Peters, Pinsky, Raskin, ~~and Robey, Conway, Dyson, Lenett, Rosapepe, Harrington, Colburn, and Harris~~**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Chesapeake ~~Bay~~ and Atlantic Coastal Bays 2010 Trust Fund and Nonpoint**
3 **Source Fund**

4 FOR the purpose of altering the Chesapeake ~~Bay~~ and Atlantic Coastal Bays 2010
5 Trust Fund and its purposes; stating the intent of the General Assembly;
6 providing for the uses of the Fund; establishing in statute the BayStat Program
7 and BayStat Subcabinet; requiring the BayStat Subcabinet to oversee the
8 administration of the Program; establishing the responsibilities of the Program;
9 requiring the BayStat Subcabinet to submit to the public a certain annual
10 report and develop ~~an~~ annual work and expenditure ~~plan~~ plans; requiring the
11 Governor to submit ~~the~~ annual work and expenditure ~~plan~~ plans to the General
12 Assembly as part of the annual budget submission; requiring the BayStat

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.

Italics indicate opposite chamber / conference committee amendments.



1 Subcabinet to prepare a final work and expenditure plan; requiring the
 2 Program to implement certain measures for certain purposes; requiring the
 3 Program to distribute funds from the Trust Fund to the BayStat Subcabinet
 4 agencies; requiring the BayStat Subcabinet agencies to ~~redistribute the funds~~
 5 ~~through grants to various entities and to the Chesapeake Bay Nonpoint Source~~
 6 ~~Fund~~ administer the funds, including redistributing the funds in a certain
 7 manner; requiring the Program to develop certain grant solicitations,
 8 guidelines, and applications; requiring grant agreements to comply with certain
 9 requirements; requiring grant recipients to submit a certain annual report that
 10 includes certain information; prohibiting the use of the Trust Fund for certain
 11 purposes; establishing a BayStat Program Scientific Advisory Panel, composed
 12 of certain individuals appointed by the Governor; establishing certain
 13 responsibilities for the Panel; authorizing ~~State~~ the BayStat Subcabinet
 14 ~~agencies that administer certain grants to receive certain administrative costs~~
 15 ~~from the Trust Fund~~ to distribute to a certain administrative cost account a
 16 certain amount to administer grant programs; establishing the Chesapeake ~~Bay~~
 17 and Atlantic Coastal Bays Nonpoint Source Fund as a special, continuing,
 18 nonlapsing fund in the Water Quality Financing Administration in the
 19 Department of the Environment; establishing the purpose of the Fund;
 20 establishing certain funding for the Fund; requiring the Fund to be subject to a
 21 certain audit; authorizing the Administration to establish accounts and
 22 subaccounts in the Fund for certain purposes; establishing the uses of the Fund;
 23 providing for certain bonding authority relating to money in the Fund; requiring
 24 the Administration to provide for a certain system of financial accounting,
 25 controls, audits, and reports for certain funds that conforms with certain State
 26 and federal laws; requiring a certain audit and audit report of certain funds;
 27 defining certain terms; and generally relating to dedicated funding sources for
 28 the restoration of the Chesapeake ~~Bay~~ and Atlantic Coastal Bays and the
 29 waters of the State.

30 BY renumbering

31 Article – Natural Resources

32 Section 8–205

33 to be Section 8–2A–01 to be under the new subtitle “Subtitle 2A. Chesapeake
 34 Bay and Atlantic Coastal Bays 2010 Trust Fund”

35 Annotated Code of Maryland

36 (2007 Replacement Volume)

37 (As enacted by Chapter 6 of the Acts of the General Assembly Special Session of
 38 2007)

39 BY repealing and reenacting, with amendments,

40 Article – Natural Resources

41 Section 8–2A–01

42 Annotated Code of Maryland

43 (2007 Replacement Volume)

44 (As enacted by Section 1 of this Act)

1 BY adding to
 2 Article – Natural Resources
 3 Section 8–2A–02 through 8–2A–04
 4 Annotated Code of Maryland
 5 (2007 Replacement Volume)

6 BY repealing and reenacting, with amendments,
 7 Article – Environment
 8 Section 9–1601, 9–1611, and 9–1616
 9 Annotated Code of Maryland
 10 (2007 Replacement Volume and 2007 Supplement)

11 BY adding to
 12 Article – Environment
 13 Section 9–1605.3 and 9–1617.1
 14 Annotated Code of Maryland
 15 (2007 Replacement Volume and 2007 Supplement)

16 BY renumbering
 17 Article – Natural Resources
 18 Section 8–2A–01 and 8–2A–02, respectively,
 19 to be Section 8–2A–02 and 8–2A–01, respectively
 20 Annotated Code of Maryland
 21 (2007 Replacement Volume)
 22 (As enacted by Section 2 of this Act)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 24 MARYLAND, That Section(s) 8–205 of Article – Natural Resources of the Annotated
 25 Code of Maryland be renumbered to be Section(s) 8–2A–01 to be under the new
 26 subtitle “Subtitle 2A. Chesapeake ~~Bay~~ and Atlantic Coastal Bays 2010 Trust Fund”.

27 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 28 read as follows:

29 **Article – Natural Resources**

30 **SUBTITLE 2A. CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS 2010 TRUST**
 31 **FUND.**

32 **8–2A–01.**

33 (a) There is a Chesapeake ~~Bay~~ AND ATLANTIC COASTAL BAYS 2010 Trust
 34 Fund.

35 (b) The purpose of the Fund is to provide [the] financial assistance necessary
 36 to [meet, by 2010,] **ADVANCE MARYLAND’S PROGRESS IN MEETING** the goals

1 established in the Chesapeake 2000 Agreement for the restoration of the Chesapeake
 2 Bay and its tributaries, including the Patuxent River, **AND TO RESTORE THE**
 3 **HEALTH OF THE ATLANTIC COASTAL BAYS AND THEIR TRIBUTARIES, BY**
 4 **FOCUSING LIMITED FINANCIAL RESOURCES ON NONPOINT SOURCE POLLUTION**
 5 **CONTROL PROJECTS IN ALL REGIONS OF THE STATE.**

6 (c) The Secretary shall administer the Fund.

7 (d) (1) The Fund is a special, nonlapsing fund that is not subject to §
 8 7-302 of the State Finance and Procurement Article.

9 (2) The Treasurer shall hold the Fund separately, and the Comptroller
 10 shall account for the Fund.

11 (e) The Fund consists of:

12 (1) Money appropriated in the State budget for the Fund;

13 (2) Money distributed to the Fund under §§ 2-1104 and 2-1302.1 of
 14 the Tax – General Article; and

15 (3) Any other money from any other source accepted for the benefit of
 16 the Fund.

17 (f) (1) The Fund may be used only for the implementation of **NONPOINT**
 18 **SOURCE POLLUTION CONTROL ~~MEASURES~~ PROJECTS TO ACHIEVE** the State's
 19 tributary strategy developed in accordance with the Chesapeake 2000 Agreement **AND**
 20 **TO IMPROVE THE HEALTH OF THE ATLANTIC COASTAL BAYS AND THEIR**
 21 **TRIBUTARIES.**

22 (2) **IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT, WHEN**
 23 **POSSIBLE, MONEYS IN THE FUND SHALL BE GRANTED TO LOCAL GOVERNMENTS**
 24 **AND OTHER POLITICAL SUBDIVISIONS FOR AGRICULTURAL, FORESTRY, STREAM**
 25 **AND WETLAND RESTORATION, AND URBAN AND SUBURBAN STORMWATER**
 26 **NONPOINT SOURCE POLLUTION CONTROL PROJECTS.**

27 (g) (1) The Treasurer shall invest the money of the Fund in the same
 28 manner as other State money may be invested.

29 (2) Any investment earnings of the Fund shall be retained to the
 30 credit of the Fund.

31 (h) Money expended from the Fund for the restoration of the Chesapeake
 32 ~~Bay and its~~ **AND ATLANTIC COASTAL BAYS AND THEIR** tributaries, including the

1 Patuxent River, is supplemental to and is not intended to take the place of funding
2 that otherwise would be appropriated for ~~Bay~~ BAY restoration.

3 **8-2A-02.**

4 (A) ~~(1)~~ **IN THIS ~~SECTION~~ SUBTITLE THE FOLLOWING WORDS HAVE**
5 **THE MEANINGS INDICATED.**

6 ~~(2)~~ **(B) “BAYSTAT PROGRAM” OR ~~“PROGRAM”~~ MEANS THE**
7 **~~PROGRAM~~ MEANS THE PROGRAM ESTABLISHED UNDER § 8-2A-03 OF THIS**
8 **SUBTITLE.**

9 ~~(3)~~ ~~(1)~~ **(C) (1) “NONPOINT SOURCE POLLUTION CONTROL**
10 **PROJECT” MEANS A PROJECT TO IMPROVE WATER QUALITY BY A REDUCTION OF**
11 **NITROGEN, ~~PHOSPHOROUS~~ PHOSPHORUS, OR SEDIMENT POLLUTION.**

12 ~~(1)~~ **(2) “NONPOINT SOURCE POLLUTION CONTROL**
13 **PROJECT” INCLUDES:**

14 ~~1.~~ **(I) AN AGRICULTURAL BEST MANAGEMENT**
15 **IMPLEMENTATION PRACTICE, INCLUDING COVER CROPS, RIPARIAN FORESTED**
16 **BUFFER, MANURE PROCESSING, GRASSED WATERWAYS, ANIMAL WASTE**
17 **STORAGE STRUCTURES, AND LIVESTOCK FENCING;**

18 ~~2.~~ **(II) AN URBAN OR SUBURBAN STORM WATER**
19 **PRACTICE;**

20 ~~3.~~ **(III) A SUSTAINABLE FOREST MANAGEMENT**
21 **PRACTICE, INCLUDING A FOREST STEWARDSHIP PLAN OR A NONORNAMENTAL**
22 **URBAN AND SUBURBAN TREE PLANTING PROJECT;**

23 ~~4.~~ **(IV) STREAM AND WETLAND RESTORATION;**

24 ~~5.~~ **(V) RIPARIAN BUFFER PLANTING;**

25 ~~6.~~ **(VI) A PROJECT THAT DEMONSTRATES THE**
26 **EFFECTIVENESS OF AN INNOVATIVE NONPOINT SOURCE POLLUTION**
27 **REDUCTION MEASURE PROVIDED THAT THE MEASURE IS CAPABLE OF**
28 **INTEGRATION INTO EXISTING NONPOINT SOURCE POLLUTION PROGRAMS;**

29 ~~7.~~ **(VII) ~~TARGETED ENFORCEMENT OF NONPOINT~~**
30 **~~SOURCE POLLUTION LAWS AND REGULATIONS THAT IMPROVE WATER QUALITY;~~**

1 ~~8. (VIII)~~ (VII) TECHNICAL ASSISTANCE NECESSARY
2 TO IMPLEMENT A NONPOINT SOURCE POLLUTION CONTROL PROJECT; ~~AND~~

3 ~~9. DEVELOPMENT, REDEVELOPMENT, OR~~
4 ~~IMPROVEMENT OF A MUNICIPAL PARK PROVIDED THAT THE DEVELOPMENT,~~
5 ~~REDEVELOPMENT, OR IMPROVEMENT INCORPORATES STATE OF THE ART AND~~
6 ~~SUSTAINABLE NONPOINT SOURCE POLLUTION CONTROL MEASURES~~

7 (VIII) IMPROVEMENT OF A MUNICIPAL PARK LOCATED ON OR
8 ADJACENT TO A WATERWAY, PROVIDED THAT THE IMPROVEMENT IS LIMITED TO
9 STATE-OF-THE-ART AND SUSTAINABLE NONPOINT SOURCE POLLUTION
10 CONTROL MEASURES THAT DEMONSTRABLY IMPROVE WATER QUALITY BY
11 REDUCING NITROGEN, PHOSPHORUS, AND SEDIMENT POLLUTION; AND

12 ~~(IX)~~ ~~(VIII)~~ (IX) STRATEGIC MONITORING OF WATER
13 QUALITY IMPROVEMENTS FROM NONPOINT SOURCE POLLUTION CONTROL
14 PROJECTS THAT HAVE BEEN FUNDED, IN WHOLE OR IN PART, WITH GRANTS
15 FROM THE TRUST FUND.

16 ~~(4)~~ (D) “TRIBUTARY STRATEGIES” MEANS EACH OF
17 MARYLAND’S 10 WATERSHED-SPECIFIC PLANS AS AMENDED FROM TIME TO
18 TIME TO REDUCE THE AMOUNT OF NITROGEN, ~~PHOSPHOROUS~~ PHOSPHORUS,
19 AND SEDIMENT POLLUTION THAT ENTERS THE CHESAPEAKE ~~BAY AND ITS~~ AND
20 ATLANTIC COASTAL BAYS AND THEIR TRIBUTARIES.

21 ~~(5)~~ (E) “TRUST FUND” MEANS THE CHESAPEAKE ~~BAY~~ AND
22 ATLANTIC COASTAL BAYS 2010 TRUST FUND.

23 **8-2A-03.**

24 (A) (1) THERE IS A BAYSTAT PROGRAM TO:

25 (I) MEASURE AND EVALUATE EFFORTS TO RESTORE THE
26 ~~CHESAPEAKE BAY~~ AND ATLANTIC COASTAL BAYS; AND

27 (II) ADMINISTER THE TRUST FUND.

28 (2) THE BAYSTAT SUBCABINET SHALL OVERSEE THE
29 ADMINISTRATION OF THE BAYSTAT PROGRAM.

30 (3) THE BAYSTAT SUBCABINET IS COMPOSED OF:

31 (I) THE SECRETARY OF NATURAL RESOURCES;

- 1 (II) THE SECRETARY OF THE ENVIRONMENT;
- 2 (III) THE SECRETARY OF PLANNING;
- 3 (IV) THE SECRETARY OF AGRICULTURE; ~~AND~~
- 4 (V) THE PRESIDENT OF THE UNIVERSITY OF MARYLAND
5 CENTER FOR ENVIRONMENTAL SCIENCE; ~~AND~~
- 6 (VI) THE DEAN OF THE COLLEGE OF AGRICULTURE AND
7 NATURAL RESOURCES AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK;
8 AND
- 9 (VII) THE CHAIR OF THE CRITICAL AREA COMMISSION FOR
10 THE CHESAPEAKE AND ATLANTIC COASTAL BAYS.

11 (B) THE BAYSTAT PROGRAM SHALL:

- 12 (1) PROVIDE ACCURATE AND TIMELY DATA TO POLICYMAKERS
13 AND THE PUBLIC ABOUT THE EFFICACY AND COST-EFFECTIVENESS OF LOCAL,
14 STATE, AND FEDERAL PROGRAMS TO RESTORE THE CHESAPEAKE ~~BAY~~ AND
15 ATLANTIC COASTAL BAYS;
- 16 (2) TRACK AND ASSESS THE PROGRESS OF STATE AND FEDERAL
17 PROGRAMS TO IMPROVE THE HEALTH OF THE CHESAPEAKE ~~BAY~~ AND ATLANTIC
18 COASTAL BAYS;
- 19 (3) ASSESS THE EFFECTIVENESS OF ENFORCEMENT PROGRAMS
20 IN CURBING POLLUTION AND ACHIEVING CHESAPEAKE ~~BAY~~ AND ATLANTIC
21 COASTAL BAYS RESTORATION GOALS AND INSTITUTE ACTIONS TO IMPROVE THE
22 EFFECTIVENESS OF ENFORCEMENT PROGRAMS;
- 23 (4) ADOPT MEASURABLE GOALS FOR CHESAPEAKE ~~BAY~~ AND
24 ATLANTIC COASTAL BAYS RESTORATION;
- 25 (5) IDENTIFY NEW THREATS TO THE HEALTH OF THE
26 CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS;
- 27 (6) INCREASE PUBLIC AWARENESS OF, AND PARTICIPATION IN,
28 EFFORTS TO RESTORE THE VITALITY OF THE CHESAPEAKE ~~BAY~~ AND ATLANTIC
29 COASTAL BAYS; AND
- 30 (7) DIRECT THE ADMINISTRATION OF THE TRUST FUND.

1 (C) THE BAYSTAT SUBCABINET SHALL:

2 (1) REPORT ANNUALLY TO THE PUBLIC REGARDING:

3 (I) THE HEALTH OF THE CHESAPEAKE BAY TRIBUTARY
4 BASIN;

5 (II) THE HEALTH OF THE ATLANTIC COASTAL BAYS AND
6 THEIR TRIBUTARIES;

7 ~~(III)~~ (III) THE STATUS OF LOCAL, STATE, AND FEDERAL
8 PROGRAMS TO RESTORE THE CHESAPEAKE BAY AND ATLANTIC COASTAL BAYS;
9 AND

10 ~~(IV)~~ (IV) ESTIMATED NUTRIENT REDUCTIONS ACHIEVED
11 THROUGH PROJECTS FINANCED BY THE TRUST FUND; AND

12 (2) (I) DEVELOP AN ANNUAL WORK ~~AND EXPENDITURE~~ PLAN
13 THAT:

14 ~~(I) IDENTIFIES IDENTIFIES~~ IDENTIFIES THE PLANNED WORK ~~AND~~
15 ~~EXPENDITURES~~ TO BE FUNDED WITH MONEY FROM THE TRUST FUND FOR THE
16 NEXT FISCAL YEAR, INCLUDING ANNUAL NUTRIENT AND SEDIMENT REDUCTION
17 TARGETS, PERFORMANCE MEASURES, AND ACCOUNTABILITY CRITERIA; AND

18 (II) ~~PROVIDES~~ DEVELOP AN ANNUAL EXPENDITURE PLAN
19 THAT IDENTIFIES PLANNED EXPENDITURES FOR THE WORK PLAN AND
20 INCLUDES AN ACCOUNTING OF ALL MONEYS DISTRIBUTED FROM THE TRUST
21 FUND IN THE PREVIOUS FISCAL YEAR.

22 (D) THE GOVERNOR SHALL SUBMIT THE ANNUAL WORK AND
23 EXPENDITURE ~~PLAN~~ PLANS TO THE GENERAL ASSEMBLY AS PART OF THE
24 ANNUAL BUDGET SUBMISSION.

25 (E) ON AN ANNUAL BASIS THE BAYSTAT SUBCABINET SHALL PREPARE
26 A FINAL WORK AND EXPENDITURE PLAN BASED ON THE BUDGET APPROVED BY
27 THE GENERAL ASSEMBLY.

28 8-2A-04.

29 (A) THE BAYSTAT PROGRAM SHALL DIRECT THE ADMINISTRATION OF
30 THE TRUST FUND IN ACCORDANCE WITH THIS SECTION.

1 **(B) (1) THE BAYSTAT PROGRAM SHALL IMPLEMENT NONPOINT**
 2 **SOURCE POLLUTION REDUCTION MEASURES TO ACHIEVE THE TRIBUTARY**
 3 **STRATEGIES BY TARGETING FUNDS, GEOGRAPHICALLY AND BY PRACTICE, TO**
 4 **PROVEN, SCIENTIFICALLY-BASED PROJECTS THAT PROVIDE THE MOST**
 5 **COST-EFFECTIVE AND MEASURABLE WATER QUALITY BENEFITS TO THE**
 6 **CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS.**

7 **(2) TO THE MAXIMUM EXTENT PRACTICABLE, THE BAYSTAT**
 8 **PROGRAM SHALL DISTRIBUTE THE TRUST FUND MONEYS ON A COMPETITIVE**
 9 **BASIS.**

10 **(C) (1) THE BAYSTAT PROGRAM SHALL DISTRIBUTE FUNDS FROM**
 11 **THE TRUST FUND TO THE BAYSTAT SUBCABINET AGENCIES IN ACCORDANCE**
 12 **WITH THE FINAL WORK AND EXPENDITURE PLANS.**

13 **(2) THE BAYSTAT SUBCABINET AGENCIES SHALL ~~REDISTRIBUTE~~**
 14 **ADMINISTER THE FUNDS IN ACCORDANCE WITH THE FINAL WORK AND**
 15 **EXPENDITURE PLANS, INCLUDING THE DISTRIBUTION OF FUNDS:**

16 **(I) THROUGH GRANTS, ~~TO THE MAXIMUM EXTENT~~**
 17 **~~PRACTICABLE ON A COMPETITIVE BASIS,~~ TO:**

- 18 **1. COUNTIES;**
- 19 **2. BICOUNTY AGENCIES;**
- 20 **3. MUNICIPALITIES;**
- 21 **4. FOREST CONSERVANCY DISTRICT BOARDS;**
- 22 **5. SOIL CONSERVATION DISTRICTS;**
- 23 **6. ACADEMIC INSTITUTIONS; AND**
- 24 **7. NONPROFIT ORGANIZATIONS HAVING A**
 25 **DEMONSTRATED ABILITY TO IMPLEMENT NONPOINT SOURCE POLLUTION**
 26 **CONTROL PROJECTS; ~~AND~~**

27 **(II) TO THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL**
 28 **BAYS NONPOINT SOURCE FUND ESTABLISHED UNDER § 9-1605.3 OF THE**
 29 **ENVIRONMENT ARTICLE; ~~AND~~**

1 **(III) TO THE MARYLAND AGRICULTURAL COST-SHARE**
 2 **PROGRAM ESTABLISHED UNDER TITLE 8, SUBTITLE 7 OF THE AGRICULTURE**
 3 **ARTICLE FOR NONPOINT SOURCE POLLUTION CONTROL PROJECTS; AND**

4 **(IV) TO THE WOODLAND INCENTIVE FUND ESTABLISHED**
 5 **UNDER § 5-307 OF THIS ARTICLE.**

6 **(3) (I) THE BAYSTAT PROGRAM SHALL DEVELOP**
 7 **SOLICITATIONS, GUIDELINES, AND APPLICATIONS FOR TRUST FUND GRANTS**
 8 **THAT SHALL INCLUDE CONSIDERATION OF THE EXTENT TO WHICH A PROPOSED**
 9 **PROJECT, BOTH GEOGRAPHICALLY AND BY PRACTICE, WILL DELIVER THE**
 10 **GREATEST, MOST COST-EFFECTIVE, AND MEASURABLE NONPOINT SOURCE**
 11 **POLLUTION REDUCTION PER TRUST FUND DOLLAR.**

12 **(II) THE BAYSTAT PROGRAM ~~MAY~~ SHALL ENCOURAGE AND**
 13 **CONSIDER ~~A~~ MULTI-YEAR, MULTI-PARTNER PROPOSALS, LOCAL MATCH, OR**
 14 **COST-SHARE AGREEMENTS, OR ~~OTHER ACTION~~ SIMILAR ACTIONS PROPOSED BY**
 15 **A GRANT APPLICANT IN EVALUATING A TRUST FUND GRANT APPLICATION.**

16 **(D) ANY GRANT AGREEMENT REGARDING FUNDS FROM THE TRUST**
 17 **FUND SHALL:**

18 **(1) SPECIFY THE USE OF THE FUNDS PROVIDED UNDER THE**
 19 **GRANT, ACCOUNTABILITY MEASURES, AND PERFORMANCE REQUIREMENTS;**
 20 **~~AND~~**

21 **(2) TAKE INTO ACCOUNT THE NEED FOR EFFICIENT, ~~MULTIYEAR~~**
 22 **MULTI-YEAR FUNDING AND ADMINISTRATION; AND**

23 **(3) INCLUDE PROVISIONS FOR VERIFICATION THAT PRACTICES**
 24 **ARE BEING IMPLEMENTED.**

25 **(E) (1) A RECIPIENT OF ~~A~~ FUNDS FROM THE TRUST FUND ~~GRANT~~ IN**
 26 **ANY FISCAL YEAR SHALL SUBMIT AN ANNUAL REPORT TO THE BAYSTAT**
 27 **PROGRAM BY NOVEMBER 1 OF THE NEXT FISCAL YEAR.**

28 **(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS**
 29 **SUBSECTION SHALL INCLUDE:**

30 **~~(I) AN ESTIMATE OF THE NUTRIENT LOADING REDUCTIONS~~**
 31 **~~RESULTING FROM AN ONGOING PROJECT, AND THE TIME FRAME FOR~~**
 32 **~~COMPLETION OF THE PROJECT; AND~~**

1 ~~(H) AN ASSESSMENT OF EXPECTED NUTRIENT LOADING~~
 2 ~~REDUCTIONS AND WATER QUALITY BENEFITS ACHIEVED THROUGH COMPLETED~~
 3 ~~PROJECTS; AND~~

4 ~~(H) THE METHODOLOGIES USED TO CALCULATE ITEMS (I)~~
 5 ~~AND (II) OF THIS PARAGRAPH.~~

6 (I) FOR AGENCIES RECEIVING MONEYS FROM THE TRUST
 7 FUND:

8 1. A DESCRIPTION OF HOW THE FUNDS WERE
 9 ALLOCATED, INCLUDING:

10 A. THE NUMBER AND AMOUNTS OF GRANTS AWARDS;
 11 AND

12 B. DIRECT EXPENDITURES BY THE AGENCY;

13 2. HOW FUNDING WAS LEVERAGED; AND

14 3. ESTIMATED OR CALCULATED NUTRIENT
 15 REDUCTIONS ASSOCIATED WITH TRUST FUND EXPENDITURES.

16 (II) FOR RECIPIENTS OF COMPETITIVE GRANTS FROM THE
 17 TRUST FUND, A DESCRIPTION OF FUNDED PROJECTS, INCLUDING:

18 1. PROJECT LOCATION;

19 2. DESCRIPTION OF PRACTICES IMPLEMENTED;

20 3. TIME FRAMES FOR PROJECT COMPLETION;

21 4. ESTIMATED OR CALCULATED NUTRIENT
 22 REDUCTIONS; AND

23 5. PROVISIONS FOR LONG-TERM MAINTENANCE OF
 24 PRACTICES.

25 (F) FUNDS FROM THE TRUST FUND MAY NOT BE USED TO PAY FOR
 26 PRIVATE PROJECTS THAT ARE REQUIRED FOR REGULATORY COMPLIANCE
 27 PURPOSES ENABLE AN INDIVIDUAL CITED FOR NONCOMPLIANCE WITH A
 28 NONPOINT SOURCE POLLUTION CONTROL LAW OR REGULATION TO ACHIEVE
 29 COMPLIANCE.

1 (G) (1) THERE IS A BAYSTAT PROGRAM SCIENTIFIC ADVISORY
2 PANEL.

3 (2) THE GOVERNOR SHALL APPOINT THE CHAIR AND MEMBERS
4 OF THE BAYSTAT PROGRAM SCIENTIFIC ADVISORY PANEL.

5 (3) THE BAYSTAT PROGRAM SCIENTIFIC ADVISORY PANEL
6 SHALL INCLUDE SCIENTISTS AND OTHER TECHNICAL EXPERTS WITH
7 DEMONSTRATED EXPERTISE IN THE DISCIPLINES RELATED TO PROTECTION
8 AND RESTORATION OF THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS.

9 (4) THE BAYSTAT PROGRAM SCIENTIFIC ADVISORY PANEL
10 SHALL:

11 (I) ON OR BEFORE ~~SEPTEMBER~~ AUGUST 1, ANNUALLY
12 PROVIDE RECOMMENDATIONS TO THE BAYSTAT SUBCABINET ON THE USE OF
13 FUNDS OF THE TRUST FUND FOR THE FOLLOWING FISCAL YEAR;

14 (II) MONITOR THE DISTRIBUTION OF FUNDS FROM THE
15 TRUST FUND;

16 (III) REVIEW THE CATEGORIES OF GRANTS MADE IN THE
17 PREVIOUS YEAR TO ASSESS NUTRIENT LOADING REDUCTION ESTIMATES AND
18 COST EFFICIENCIES AND THE EFFECTIVENESS OF ANY INNOVATIVE NONPOINT
19 SOURCE POLLUTION REDUCTION MEASURE;

20 (IV) REVIEW THE PROPOSED ANNUAL WORK ~~AND~~
21 ~~EXPENDITURE~~ PLAN AND ADVISE THE BAYSTAT SUBCABINET OF ANY
22 RECOMMENDED CHANGES;

23 (V) ON REQUEST BY THE BAYSTAT SUBCABINET, REVIEW
24 INDIVIDUAL GRANT APPLICATIONS; AND

25 (VI) ANNUALLY REVIEW ANY TRUST FUND MONEYS THAT
26 ARE NOT DISTRIBUTED ON A COMPETITIVE BASIS TO ASSESS WHETHER THOSE
27 MONEYS MAY BE DISTRIBUTED ON A COMPETITIVE BASIS;

28 (H) ~~A STATE AGENCY THAT ADMINISTERS A TRUST FUND GRANT SHALL~~
29 ~~RECEIVE FROM THE FUND AN AMOUNT EQUIVALENT TO ITS REASONABLE~~
30 ~~DIRECT COSTS OF GRANT ADMINISTRATION~~ THE BAYSTAT SUBCABINET
31 AGENCIES MAY DISTRIBUTE TO AN ADMINISTRATIVE COST ACCOUNT THE
32 AMOUNT THAT IS NECESSARY TO ADMINISTER GRANT PROGRAMS, NOT TO
33 EXCEED 1.5% OF THE ALLOCATIONS TO THE BAYSTAT SUBCABINET AGENCIES.

Article – Environment

9–1601.

(a) Unless the context clearly requires otherwise, in this subtitle the following words have the meanings indicated.

(b) “Administration” means the Maryland Water Quality Financing Administration.

(c) “Bay Restoration Fund” means the Bay Restoration Fund established under § 9–1605.2 of this subtitle.

(d) “Biological nutrient removal” means a biological nutrient removal technology capable of reducing the nitrogen in wastewater effluent to not more than 8 milligrams per liter, as calculated on an annually averaged basis.

(e) “Board” means the Board of Public Works.

(f) “Bond” means a bond, note, or other evidence of obligation of the Administration issued under this subtitle, including a bond or revenue anticipation note, notes in the nature of commercial paper, and refunding bonds.

(g) “Bond resolution” means the resolution or resolutions of the Director, including the trust agreement, if any, authorizing the issuance of and providing for the terms and conditions applicable to bonds.

(h) “Borrower” means a local government or a person as defined in § 1–101(h) of this article who has received a loan.

(I) “CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND” MEANS THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND ESTABLISHED UNDER § 9–1605.3 OF THIS SUBTITLE.

[(i)] **(J)** “Director” means the Director of the Administration.

[(j)] **(K)** “Drinking Water Loan Fund” means the Maryland Drinking Water Revolving Loan Fund.

[(k)] **(L)** “Eligible costs” means the costs identified under § 9–1605.2(i) of this subtitle.

[(l)] **(M)** “Enhanced nutrient removal” means:

(1) An enhanced nutrient removal technology that is capable of reducing the nitrogen and phosphorus concentrations in wastewater effluent to

1 concentrations of not more than 3 milligrams per liter total nitrogen and not more
2 than 0.3 milligrams per liter total phosphorus, as calculated on an annually averaged
3 basis; or

4 (2) If the Department has determined that the concentrations under
5 item (1) of this subsection are not practicable for a wastewater facility, the lowest
6 average annual wastewater effluent nitrogen and phosphorus concentrations that the
7 Department determines are practicable for that facility.

8 [(m)] (N) “Equivalent dwelling unit” means a measure of wastewater
9 effluent where one unit is equivalent to:

10 (1) If a local government or billing authority for a wastewater facility
11 has established a definition for “equivalent dwelling unit” on or before January 1,
12 2004, the average daily flow of wastewater effluent that the local government or
13 billing authority has established to be equivalent to the average daily flow of
14 wastewater effluent discharged by a residential dwelling, which may not exceed 250
15 gallons; or

16 (2) If a local government or billing authority has not established a
17 definition for “equivalent dwelling unit” on or before January 1, 2004, or if a local
18 government or billing authority has established a definition that exceeds 250 gallons
19 of wastewater effluent per day, an average daily flow of 250 gallons of wastewater
20 effluent.

21 [(n)] (O) “Facility” means a wastewater facility or all or a portion of a water
22 supply system as defined in § 9–201(u) of this title.

23 [(o)] (P) “Federal Safe Drinking Water Act” means Title XIV of the Public
24 Health Service Act, P.L. 93–523, as amended, 42 U.S.C. § 300f, et seq., and the rules
25 and regulations promulgated thereunder.

26 [(p)] (Q) “Federal Water Pollution Control Act” means the Water Pollution
27 Control Act of 1972, P.L. 92–500, as amended, 33 U.S.C. § 1251, et seq., and rules and
28 regulations promulgated thereunder.

29 [(q)] (R) “Fund” means a fund established by this subtitle, including the
30 Water Quality Fund, the Drinking Water Loan Fund, and the Bay Restoration Fund
31 **AND THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT SOURCE**
32 **FUND.**

33 [(r)] (S) “Grant” means a grant from the Administration to a grantee.

34 [(s)] (T) “Grant agreement” means a written agreement between the
35 Administration and a grantee with respect to a grant.

- 1 [(t)] (U) “Grantee” means the grant recipient.
- 2 [(u)] (V) “Lender” has the meaning stated in § 9–1606.1 of this subtitle.
- 3 [(v)] (W) “Linked deposit” has the meaning stated in § 9–1606.1 of this
4 subtitle.
- 5 [(w)] (X) “Linked deposit loan” has the meaning stated in § 9–1606.1 of this
6 subtitle.
- 7 [(x)] (Y) “Linked deposit program” has the meaning stated in § 9–1606.1 of
8 this subtitle.
- 9 [(y)] (Z) “Loan” means a loan from the Administration to a borrower for the
10 purpose of financing all or a portion of the cost of a wastewater facility, if the loan is
11 from the Water Quality Fund, or water supply system, if the loan is from the Drinking
12 Water Loan Fund.
- 13 [(z)] (AA) “Loan agreement” means a written agreement between the
14 Administration and a borrower with respect to a loan.
- 15 [(aa)] (BB) “Loan obligation” means a bond, note, or other evidence of
16 obligation, including a mortgage, deed of trust, lien, or other security instrument,
17 issued or executed by a borrower to evidence its indebtedness under a loan agreement
18 with respect to a loan.
- 19 [(bb)] (CC) (1) “Local government” means a county, municipal corporation,
20 sanitary district, or other State or local public entity which has authority to own or
21 operate a facility.
- 22 (2) “Local government” includes any combination of two or more of the
23 public entities under paragraph (1) of this subsection when acting jointly to construct
24 or operate a facility.
- 25 [(cc)] (DD) (1) “Person” means an individual, corporation, partnership,
26 association, the State, any unit of the State, commission, special taxing district, or the
27 federal government.
- 28 (2) “Person” does not include a county, municipal corporation,
29 bi-county or multicounty agency under Article 28 or 29 of the Code, housing authority
30 under Division II of the Housing and Community Development Article, school board,
31 community college, or any other unit of a county or municipal corporation.
- 32 [(dd)] (EE) (1) “Residential dwelling” means a room or group of rooms
33 occupied as living quarters by an individual, a single family, or other discrete group of
34 persons with facilities that are used or intended to be used for living, sleeping,

1 cooking, sanitation, and eating, including an apartment unit, condominium unit,
2 cooperative unit, town house unit, mobile home, or house.

3 (2) “Residential dwelling” does not include a hospital, hotel, motel,
4 inn, boarding house, club, dormitory, school, college, or similar seasonal, institutional,
5 or transient facility.

6 [(ee)] (FF) “Single site” means a discrete grouping of buildings or structures
7 that are located on contiguous or adjacent property and owned by the same user.

8 [(ff)] (GG) (1) “User” means any person discharging wastewater to:

9 (i) A wastewater facility that has a State discharge permit or
10 national pollutant discharge elimination system discharge permit;

11 (ii) An onsite sewage disposal system; or

12 (iii) A sewage holding tank.

13 (2) “User” does not include a person whose sole discharge is
14 stormwater under a stormwater permit.

15 [(gg)] (HH) “Wastewater facility” means any equipment, plant, treatment
16 works, structure, machinery, apparatus, interest in land, or any combination of these,
17 which is acquired, used, constructed, or operated for the storage, collection, treatment,
18 neutralization, stabilization, reduction, recycling, reclamation, separation, or disposal
19 of wastewater, or for the final disposal of residues resulting from the treatment of
20 wastewater, including: treatment or disposal plants; outfall sewers, interceptor
21 sewers, and collector sewers; pumping and ventilating stations, facilities, and works;
22 programs and projects for controlling nonpoint sources of water pollution and for
23 estuarine conservation and management; and other real or personal property and
24 appurtenances incident to their development, use, or operation.

25 [(hh)] (II) “Water Quality Fund” means the Maryland Water Quality
26 Revolving Loan Fund.

27 [(ii)] (JJ) “Water supply system” has the meaning stated in § 9–201(u) of this
28 title.

29 **9–1605.3.**

30 (A) (1) **THERE IS A CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS**
31 **NONPOINT SOURCE FUND.**

32 (2) **THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS**
33 **NONPOINT SOURCE FUND SHALL BE MAINTAINED AND ADMINISTERED BY THE**

1 ADMINISTRATION IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE
2 AND SUCH RULES OR PROGRAM DIRECTIVES AS THE SECRETARY OR THE
3 BOARD MAY FROM TIME TO TIME PRESCRIBE.

4 (B) THE PURPOSE OF THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL
5 BAYS NONPOINT SOURCE FUND IS TO PROVIDE FINANCIAL ASSISTANCE FOR
6 THE IMPLEMENTATION OF URBAN AND SUBURBAN STORMWATER MANAGEMENT
7 PRACTICES, AND STREAM AND WETLAND RESTORATION.

8 (C) THERE SHALL BE DEPOSITED IN THE CHESAPEAKE ~~BAY~~ AND
9 ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND:

10 (1) MONEY DISTRIBUTED TO THE CHESAPEAKE ~~BAY~~ AND
11 ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND UNDER § 8-2A-04 OF THE
12 NATURAL RESOURCES ARTICLE AND APPROPRIATED IN THE STATE BUDGET
13 FOR THE FUND;

14 (2) NET PROCEEDS OF BONDS ISSUED BY THE ADMINISTRATION;

15 (3) INTEREST OR OTHER INCOME EARNED ON THE INVESTMENT
16 OF MONEYS IN THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS
17 NONPOINT SOURCE FUND; AND

18 (4) ANY OTHER MONEYS FROM ANY OTHER SOURCE ACCEPTED
19 FOR THE BENEFIT OF THE FUND.

20 (D) (1) THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS
21 NONPOINT SOURCE FUND IS A SPECIAL, CONTINUING, NONLAPSING FUND THAT
22 IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT
23 ARTICLE.

24 (2) MONEY IN THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL
25 BAYS NONPOINT SOURCE FUND MAY NOT REVERT OR BE TRANSFERRED TO THE
26 GENERAL FUND OF THE STATE.

27 (3) SUBJECT TO THE PROVISIONS OF ANY APPLICABLE BOND
28 RESOLUTION REGARDING THE HOLDING OR APPLICATION OF AMOUNTS IN THE
29 CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND,
30 THE TREASURER SHALL SEPARATELY HOLD, AND THE COMPTROLLER SHALL
31 ACCOUNT FOR, THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS
32 NONPOINT SOURCE FUND.

33 (4) SUBJECT TO THE PROVISION OF ANY APPLICABLE BOND
34 RESOLUTION GOVERNING THE INVESTMENT OF AMOUNTS IN THE CHESAPEAKE

1 ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND, THE
2 CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND
3 SHALL BE INVESTED AND REINVESTED IN THE SAME MANNER AS OTHER STATE
4 FUNDS.

5 (5) ANY INVESTMENT EARNINGS SHALL BE RETAINED TO THE
6 CREDIT OF THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT
7 SOURCE FUND.

8 (6) THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS
9 NONPOINT SOURCE FUND SHALL BE SUBJECT TO AUDIT BY THE OFFICE OF
10 LEGISLATIVE AUDITS AS PROVIDED UNDER § 2-1220 OF THE STATE
11 GOVERNMENT ARTICLE.

12 (7) THE ADMINISTRATION MAY FROM TIME TO TIME ESTABLISH
13 ACCOUNTS AND SUBACCOUNTS WITHIN THE CHESAPEAKE ~~BAY~~ AND ATLANTIC
14 COASTAL BAYS NONPOINT SOURCE FUND AS MAY BE DEEMED DESIRABLE TO
15 EFFECTUATE THE PURPOSES OF THIS SUBTITLE, TO COMPLY WITH THE
16 PROVISIONS OF ANY BOND RESOLUTION, OR TO MEET ANY REQUIREMENT OR
17 RULES OR PROGRAM DIRECTIVES ESTABLISHED BY THE SECRETARY OR THE
18 BOARD.

19 (8) THE ADMINISTRATION SHALL OPERATE THE CHESAPEAKE
20 ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND IN ACCORDANCE
21 WITH §§ 9-1607 THROUGH 9-1622 OF THIS SUBTITLE.

22 (E) THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT
23 SOURCE FUND SHALL BE USED:

24 (1) TO AWARD GRANTS FOR UP TO 100 PERCENT OF PROJECT
25 COSTS RELATING TO PLANNING, DESIGN, AND CONSTRUCTION OF URBAN AND
26 SUBURBAN STORMWATER MANAGEMENT PRACTICES, AND STREAM AND
27 WETLAND RESTORATION;

28 (2) AS A SOURCE OF REVENUE OR SECURITY FOR THE PAYMENT
29 OF PRINCIPAL AND INTEREST ON BONDS ISSUED BY THE ADMINISTRATION IF
30 THE PROCEEDS OF THE SALE OF SUCH BONDS WILL BE DEPOSITED IN THE
31 CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND;

32 (3) FOR COSTS ASSOCIATED WITH THE ISSUANCE OF BONDS;

33 (4) TO EARN INTEREST ON THE CHESAPEAKE ~~BAY~~ AND ATLANTIC
34 COASTAL BAYS NONPOINT SOURCE FUND ACCOUNTS; AND

1 **(5) FOR THE REASONABLE COSTS OF ADMINISTERING THE**
2 **CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND.**

3 9-1611.

4 (a) Bonds may be secured by a trust agreement by and between the
5 Administration and a corporate trustee, which may be any trust company or bank
6 having trust powers, within or without the State. Such trust agreement may pledge or
7 assign all or any part of the revenues or corpus of the Water Quality Fund, Drinking
8 Water Loan Fund, [or] **THE Bay Restoration Fund, OR THE CHESAPEAKE ~~BAY~~ AND**
9 **ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND**, or any account within these
10 funds, and may pledge or assign or grant a lien on or security interest in any loan
11 agreement or loan obligation. Any such trust agreement or resolution authorizing the
12 issuance of bonds may contain such provisions for the protection and enforcement of
13 the rights and remedies of the bondholders as may be deemed reasonable and proper,
14 including covenants setting forth the duties of the Administration in relation to the
15 making, administration and enforcement of loans and the custody, safeguarding and
16 application of moneys. Such trust agreement may set forth the rights and remedies of
17 the bondholders and of the trustee and may restrict the individual right of action by
18 bondholders. In addition to the foregoing, such trust agreement may contain such
19 other provisions as the Director may deem reasonable and proper for the security of
20 the bondholders, including, without limitation, covenants pertaining to the issuance of
21 additional parity bonds upon conditions stated therein consistent with the
22 requirements of this subtitle.

23 (b) The proceeds of the sale of bonds shall be disbursed in such manner and
24 under such restrictions, if any, as may be provided in such trust agreement.

25 (c) (1) The revenues and moneys designated as security for bonds shall be
26 set aside at such regular intervals as may be provided in the bond resolution in a
27 special account in the Water Quality Fund, if the net sale proceeds will be deposited in
28 the Water Quality Fund, the Drinking Water Loan Fund, if the net sale proceeds will
29 be deposited in the Drinking Water Loan Fund, [or] the Bay Restoration Fund, if the
30 net sale proceeds will be deposited in the Bay Restoration Fund, **OR THE**
31 **CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND, IF**
32 **THE NET SALE PROCEEDS WILL BE DEPOSITED IN THE CHESAPEAKE ~~BAY~~ AND**
33 **ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND**, which is pledged to, and
34 charged with, the payment of:

35 (i) The interest upon such bonds as such interest falls due;

36 (ii) The principal of such bonds as it falls due;

37 (iii) The necessary charges of the trustee, bond registrar, and
38 paying agents; and

1 (iv) The redemption price or purchase price of bonds retired by
2 call or purchase as provided in the bond resolution or trust agreement.

3 (2) Any amounts set aside in such special account which are not
4 needed to provide for the payment of the items included under paragraph (1) of this
5 subsection may be used for any other lawful purpose, to the extent provided in the
6 bond resolution. Such pledge shall be valid and binding from the time when the pledge
7 is made. Such revenues or other moneys so pledged and thereafter received by the
8 Administration shall immediately be subject to the lien of such pledge without any
9 physical delivery thereof or further act, and the lien of any such pledge shall be valid
10 and binding as against all parties having any claims of any kind in tort, contract, or
11 otherwise against the Administration or the Water Quality Fund, the Drinking Water
12 Loan Fund, [or] the Bay Restoration Fund, **OR THE CHESAPEAKE ~~BAY~~ AND**
13 **ATLANTIC COASTAL BAYS NONPOINT SOURCE FUND**, irrespective of whether such
14 parties have notice thereof. Neither the bond resolution nor any trust agreement by
15 which a pledge is created need be filed or recorded except in the records of the
16 Administration, any public general or public local law to the contrary notwithstanding.

17 (d) Any net earnings of the Administration, beyond that necessary for the
18 retirement of bonds or to implement the public purposes or programs of the
19 Administration, shall not inure to the benefit of any person, other than the State of
20 Maryland for use to accomplish the purposes of this subtitle.

21 9-1616.

22 The Administration shall not be required to give any bond as security for costs,
23 supersedeas, or any other security in any suit or action brought by or against it, or in
24 proceedings to which it may be a party, in any court of this State, and the
25 Administration shall have the remedies of appeal of whatever kind to all courts
26 without bonds, supersedeas, or security of any kind. No builder's, materialman's,
27 contractor's, laborer's, or mechanic's liens of any kind or character shall ever attach to
28 or become a lien upon the Water Quality Fund, the Drinking Water Loan Fund, [or]
29 the Bay Restoration Fund, **OR THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL**
30 **BAYS NONPOINT SOURCE FUND**, or any property, real or personal, belonging to the
31 Administration and no assignment of wages shall be binding upon or recognized by the
32 Administration.

33 **9-1617.1.**

34 (A) (1) **THE ADMINISTRATION SHALL MAKE PROVISIONS FOR A**
35 **SYSTEM OF FINANCIAL ACCOUNTING, CONTROLS, AUDITS, AND REPORTS IN**
36 **ACCORDANCE WITH GENERALLY ACCEPTED PRINCIPLES OF GOVERNMENTAL**
37 **ACCOUNTING.**

38 (2) **ALL ACCOUNTING SYSTEMS AND RECORDS, AUDITING**
39 **PROCEDURES AND STANDARDS, AND FINANCIAL REPORTING FOR THE WATER**

1 **QUALITY FUND, THE DRINKING WATER LOAN FUND, THE BAY RESTORATION**
2 **FUND, AND THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT**
3 **SOURCE FUND SHALL CONFORM TO THE REQUIREMENTS OF TITLE VI OF THE**
4 **FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL SAFE DRINKING**
5 **WATER ACT, THE BAY RESTORATION FUND ACT, AND THE CHESAPEAKE ~~BAY~~**
6 **AND ATLANTIC COASTAL BAYS 2010 TRUST FUND UNDER TITLE 8, SUBTITLE**
7 **2A OF THE NATURAL RESOURCES ARTICLE, AS APPLICABLE, AND GENERALLY**
8 **ACCEPTED PRINCIPLES OF GOVERNMENTAL ACCOUNTING.**

9 (B) (1) AS SOON AS PRACTICAL AFTER THE CLOSING OF THE FISCAL
10 YEAR, AN AUDIT SHALL BE MADE OF THE FINANCIAL BOOKS, RECORDS, AND
11 ACCOUNTS OF THE ADMINISTRATION.

12 (2) THE AUDIT SHALL BE MADE BY INDEPENDENT CERTIFIED
13 PUBLIC ACCOUNTANTS, SELECTED BY THE ADMINISTRATION, AND LICENSED TO
14 PRACTICE IN THE STATE AS AUDITORS.

15 (3) (I) THE AUDITORS MAY NOT HAVE A PERSONAL INTEREST
16 EITHER DIRECTLY OR INDIRECTLY IN THE FISCAL AFFAIRS OF THE
17 ADMINISTRATION; AND

18 (II) SHALL BE EXPERIENCED AND QUALIFIED IN THE
19 ACCOUNTING AND AUDITING OF PUBLIC BODIES.

20 (4) THE AUDIT REPORT SHALL BE PREPARED IN ACCORDANCE
21 WITH GENERALLY ACCEPTED AUDITING PRINCIPLES AND POINT OUT ANY
22 IRREGULARITIES FOUND TO EXIST.

23 (5) (I) THE AUDITORS SHALL REPORT TO THE SECRETARY THE
24 RESULTS OF THEIR EXAMINATION, INCLUDING THEIR UNQUALIFIED OPINION ON
25 THE PRESENTATION OF THE FINANCIAL POSITIONS OF THE WATER QUALITY
26 FUND, THE DRINKING WATER LOAN FUND, THE BAY RESTORATION FUND, AND
27 THE CHESAPEAKE ~~BAY~~ AND ATLANTIC COASTAL BAYS NONPOINT SOURCE
28 FUND AND THE RESULTS OF THE ADMINISTRATION'S FINANCIAL OPERATIONS.

29 (II) IF THE AUDITORS ARE UNABLE TO EXPRESS AN
30 UNQUALIFIED OPINION, THE AUDITORS SHALL STATE AND EXPLAIN IN DETAIL
31 THE REASONS FOR THEIR QUALIFICATIONS, DISCLAIMER, OR OPINION
32 INCLUDING RECOMMENDATIONS NECESSARY TO MAKE POSSIBLE FUTURE
33 UNQUALIFIED OPINIONS.

34 SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 8-2A-01 and
35 8-2A-02, respectively, of Article – Natural Resources of the Annotated Code of

1 Maryland, as enacted by Section 2 of this Act, shall be renumbered to be Section(s)
2 8-2A-02 and 8-2A-01, respectively.

3 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take
4 effect July 1, 2008.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.