

# HOUSE BILL 176

M3

9lr1232  
CF SB 554

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By: **Delegates Lafferty, Ali, Beidle, Bobo, Bromwell, Carr, Glenn, Healey, Holmes, Hucker, Malone, Niemann, Olszewski, Schuler, and Stein**

Introduced and read first time: January 26, 2009

Assigned to: Environmental Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 3, 2009

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Bay Restoration 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 replacement of an on-site sewage disposal system in the  
7 Chesapeake and Atlantic Coastal Bays Critical Area unless the replacement  
8 on-site sewage disposal system utilizes nitrogen removal technology; requiring  
9 the Department of the Environment to assist ~~homeowners~~ an owner in paying  
10 for certain costs under certain circumstances; establishing ~~a certain penalty~~  
11 penalties and enforcement mechanisms for a certain violation; requiring the  
12 Department to adopt certain regulations; authorizing the Department to adopt  
13 certain regulations; defining certain terms; providing a subtraction modification  
14 under the Maryland income tax for certain costs related to certain disposal  
15 systems that exceed the amount of assistance the Department provides;  
16 providing for the application of certain provisions of this Act; and generally  
17 relating to on-site sewage disposal systems with nitrogen 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)

23 BY repealing and reenacting, without amendments,

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### 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 – Tax – General  
 2 Section 10–208(a)  
 3 Annotated Code of Maryland  
 4 (2004 Replacement Volume and 2008 Supplement)

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

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

12 **Article – Environment**

13 **9–1108.**

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

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

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

21 (B) A PERSON MAY NOT ~~INSTALL~~;

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

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

32 (C) IN ACCORDANCE WITH § 9–1605.2(H) OF THIS TITLE, THE  
 33 DEPARTMENT SHALL ASSIST ~~HOMEOWNERS~~ AN OWNER IN PAYING THE COST  
 34 DIFFERENCE BETWEEN A CONVENTIONAL ON–SITE SEWAGE DISPOSAL SYSTEM

1 AND A SYSTEM THAT UTILIZES NITROGEN REMOVAL TECHNOLOGY WITH MONEY  
2 FROM THE BAY RESTORATION FUND, IF SUFFICIENT FUNDS ARE AVAILABLE.

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

9 (2) THE PENALTIES IMPOSED UNDER THIS SECTION MAY NOT  
10 EXCEED \$8,000.

11 (E) (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO  
12 IMPLEMENT THIS SECTION.

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

17 (F) THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THIS  
18 SECTION THAT PROVIDE A PREFERENCE FOR THE DISTRIBUTION OF FUNDS TO  
19 LOW- AND MIDDLE-INCOME OWNERS UNDER § 9-1605.2(H) OF THIS TITLE  
20 BASED ON THE:

21 (1) VALUE OF THE PROPERTY; OR

22 (2) INCOME OF THE PROPERTY OWNER.

23 Article - Tax - General

24 10-208.

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

28 (Q) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE  
29 THE MEANINGS INDICATED.

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

1                    (III) "ON-SITE SEWAGE DISPOSAL SYSTEM" HAS THE  
2 MEANING STATED IN § 9-1108 OF THE ENVIRONMENT ARTICLE.

3                    (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION  
4 INCLUDES THE AMOUNT BY WHICH THE COST DIFFERENCE BETWEEN A  
5 CONVENTIONAL ON-SITE SEWAGE DISPOSAL SYSTEM AND A SYSTEM THAT  
6 UTILIZES NITROGEN REMOVAL TECHNOLOGY EXCEEDS THE AMOUNT OF  
7 ASSISTANCE THE DEPARTMENT OF THE ENVIRONMENT PROVIDES THE  
8 HOMEOWNER UNDER § 9-1108 OF THE ENVIRONMENT ARTICLE.

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

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.