

HOUSE BILL 655

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CF SB 240

By: **Delegates Sossi, Ali, Aumann, Beidle, Bobo, Cane, Carr, V. Clagett, Dwyer, Eckardt, Elliott, Frank, Frush, George, Glenn, Haddaway, Healey, Holmes, Hucker, Kipke, Lafferty, Malone, McComas, McIntosh, Minnick, Norman, O'Donnell, Serafini, Shewell, Smigiel, Stein, Stull, Walkup, Weir, and Wood**

Introduced and read first time: February 9, 2009

Assigned to: Environmental Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 18, 2009

CHAPTER _____

1 AN ACT concerning

2 **Natural Resources – Expanded Use of Waterway Improvement Fund**

3 FOR the purpose of authorizing grants from the Waterway Improvement Fund to be
4 used for the purchase and installation of best management practices for
5 implementation at public or private marine facilities for the designation or
6 renewal of a marina as a Maryland Clean Marina or Clean Marina partner;
7 prohibiting the amount of grants for the purchase and installation of best
8 management practices from exceeding a certain percentage of the purchase and
9 installation cost; restricting certain grants to facilities actively engaged in the
10 process of a certain certification or recertification; requiring the Secretary of
11 Natural Resources to determine the eligibility of a proposed best management
12 practice for grant funding; establishing that the ownership, operation, and
13 maintenance of any equipment acquired with certain grant funds shall be the
14 sole responsibility of the marine facility; requiring projects for the purchase and
15 installation of Maryland Clean Marina best management practices to be
16 financed solely by the Waterway Improvement Fund; prohibiting certain grants
17 to certain marine facilities from the Waterway Improvement Fund from
18 exceeding certain amounts; providing for the disbursement of certain grant
19 awards from the Waterway Improvement Fund; requiring reimbursement of
20 certain grant awards from the Waterway Improvement Fund on the occurrence
21 of certain conditions; increasing the amount of funds the Department of Natural
22 Resources may spend from the Waterway Improvement Fund in a fiscal year;

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.



limiting the amount of funds from the Waterway Improvement Fund that may be used for certain projects; making stylistic changes; and generally relating to uses of the Waterway Improvement Fund.

BY repealing and reenacting, with amendments,
Article – Natural Resources
Section 8–707, 8–708, and 8–709
Annotated Code of Maryland
(2007 Replacement Volume and 2008 Supplement)

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

Article – Natural Resources

8–707.

(a) There is a Waterway Improvement Fund for the purposes specified in this subtitle. Except as provided in § 8–709 of this subtitle, any money received into the Waterway Improvement Fund shall be used solely for the following projects:

(1) Marking channels and harbors and establishing aids to navigation in cooperation with and as an extension of operations of the United States Coast Guard;

(2) Clearing debris, aquatic vegetation, and obstruction from waters of the State;

(3) Dredging channels and harbors and construction of jetties and breakwaters in cooperation with and as an extension of operations of the United States Army Corps of Engineers;

(4) Constructing and maintaining marine facilities beneficial to the boating public, including constructing pump-out stations for use by the general boating public at public and private marinas. The Secretary may use the funds to install pump-out stations for use by the general boating public and to supplement maintenance costs at the discretion of the Secretary. Before approving the construction of any pump-out station at a public or private marina, the Secretary shall consult with the Department of the Environment to assure that the wastewater collection and treatment system of the marina is adequate to handle any increased flow. The Department may adopt regulations to govern the use and operation of pump-out stations for use by the general boating public constructed or supported by State funds under this section;

(5) Improvement, reconstruction, or removal of bridges, drawbridges, or similar structures over or across waters, if those structures delay, impede, or obstruct the boating public. With the approval of the Board of Public Works, funds from another public or any private source may be received and used to supplement

1 and increase the funds in the Waterway Improvement Fund for the purpose of this
2 subsection. Also, the Board of Public Works may enter into an agreement with a
3 private company or person which owns such a structure, for the improvement,
4 reconstruction, or removal of the structure, in order to provide a sharing of the cost of
5 the improvement, reconstruction, or removal;

6 (6) Evaluation of water-oriented recreation needs and recreational
7 capacities of Maryland waterways and development of comprehensive plans for
8 waterway improvements;

9 (7) To provide matching grants to local governments for the
10 construction of marine facilities for marine firefighting, marine police, or medical
11 services and for the acquisition of vessels and equipment for vessels for marine
12 firefighting, police, medical, and communication equipment for promoting safety of life
13 and property and general service to the boating public utilizing the waters of the
14 State. The ownership, operation, and maintenance of any equipment acquired under
15 this subtitle shall be the responsibility of the local governing body;

16 (8) Structural and nonstructural shore erosion control under
17 subsection (b) of this section;

18 (9) Acquisition of equipment and State vessels for firefighting,
19 policing, first aid and medical assistance, and communications, in order to promote
20 safety of life and property and general service to the boating public utilizing waters of
21 the State;

22 (10) Boating information and education; [and]

23 (11) To provide interest-free loans to a governing body for the benefit of
24 a residential property owner, or group of residential property owners, with land
25 abutting a channel adjacent to a federal, State, county, or municipal main channel or
26 harbor for dredging the adjacent channel; **AND**

27 **(12) TO PROVIDE GRANTS IN ACCORDANCE WITH § 8-708(B-1) OF**
28 **THIS SUBTITLE FOR THE PURCHASE AND INSTALLATION OF BEST MANAGEMENT**
29 **PRACTICES RECOMMENDED BY THE DEPARTMENT FOR IMPLEMENTATION AT**
30 **PUBLIC OR PRIVATE MARINE FACILITIES FOR THE DESIGNATION OR RENEWAL**
31 **OF A MARINA AS A MARYLAND CLEAN MARINA OR CLEAN MARINA PARTNER.**

32 (b) Moneys from the Waterway Improvement Fund may be appropriated for
33 structural and nonstructural shore erosion control projects under Subtitle 10 of this
34 title, provided that the funds appropriated:

35 (1) In any fiscal year do not exceed 15% of the total excise tax
36 revenues, exclusive of loan repayments, attained by the Waterway Improvement Fund
37 in the preceding fiscal year; and

(2) May only be expended for projects that address shoreline areas where:

(i) Significant erosion is being caused by a combination of boat traffic and other factors, including:

1. An exposed point of land or shore in a narrow creek or cove;

2. Shore composition of easily erodible soils;

3. A steep, seaward, near-shore slope; or

4. A high rate of boating traffic passing close to the shore;

(ii) The shoreline has the following characteristics:

1. Evidence of erosion is clearly visible; and

2. Proximity to navigable waters where dredging responsibility is not clearly accepted by the federal government; or

(iii) Erosion has been significantly increased due to the construction or replacement of public waterway improvement structures.

(c) (1) Funds specified under subsection (b) of this section may be appropriated in a lump sum for the general purpose of shore erosion control, without specifying individual projects pursuant to § 8–709(a) of this subtitle.

(2) By January 1 of each year, the Department shall issue a written report to the Senate Budget and Taxation Committee and the House Appropriations Committee that shall contain for each grant or loan made under subsection (b) of this section:

(i) The amount of each grant or loan;

(ii) The name and address of each recipient;

(iii) The location of the property for which the grant or loan was made; and

(iv) If the recipient is a corporation, the name of each officer of the corporation.

(d) The Governor shall include in the budget bill for each fiscal year a General Fund appropriation to the Waterway Improvement Fund of not less than \$1,794,000.

1 8-708.

2 (a) (1) Except as provided in § 8-708.1 of this subtitle, **THE FOLLOWING**
3 **PROJECTS SHALL BE FINANCED SOLELY BY THE WATERWAY IMPROVEMENT**
4 **FUND:**

5 (I) [projects for dredging] **DREDGING** and marking channels
6 and harbors[.];

7 (II) [construction] **CONSTRUCTION** of jetties and breakwaters[,
8 and];

9 (III) [clearing] **CLEARING** debris, aquatic vegetation, and
10 obstructions in navigable waters[, as well as];

11 (IV) [construction] **CONSTRUCTION** of marine facilities located
12 within lands owned by the Department [and];

13 (V) [construction] **CONSTRUCTION** of pump-out stations for
14 use by the general boating public at public and private marinas[, shall be financed
15 solely by the Waterway Improvement Fund]; **AND**

16 (VI) **PURCHASE AND INSTALLATION OF MARYLAND CLEAN**
17 **MARINA BEST MANAGEMENT PRACTICES.**

18 (2) Any funds available from the federal government, any governing
19 body, or any gift also may be used for [these purposes] **PROJECTS LISTED IN**
20 **PARAGRAPH (1) OF THIS SUBSECTION.**

21 (b) Except for the construction of pump-out stations for use by the general
22 boating public at public and private marinas, the governing body and the Waterway
23 Improvement Fund jointly shall finance projects to construct marine facilities
24 beneficial to the boating public. The contribution of the Waterway Improvement Fund
25 shall be limited to not more than 50% of the cost of each project. However, the
26 Waterway Improvement Fund may finance completely any construction project
27 beneficial to the boating public which costs less than \$100,000 regardless of its
28 location.

29 **(B-1) GRANTS MADE FROM THE WATERWAY IMPROVEMENT FUND IN**
30 **ACCORDANCE WITH § 8-707(A)(12) OF THIS SUBTITLE SHALL BE SUBJECT TO**
31 **THE FOLLOWING REQUIREMENTS:**

32 (1) **EXCEPT FOR BEST MANAGEMENT PRACTICES IMPLEMENTED**
33 **ON LAND OWNED BY THE DEPARTMENT, GRANTS MADE TO PRIVATE AND PUBLIC**

1 MARINAS PARTICIPATING IN THE MARYLAND CLEAN MARINA INITIATIVE
2 SHALL BE LIMITED TO NOT MORE THAN 50% OF THE COST OF PURCHASING AND
3 INSTALLING EACH BEST MANAGEMENT PRACTICE;

4 (2) AN INDIVIDUAL PRIVATE MARINE FACILITY SHALL BE
5 LIMITED TO \$35,000 IN GRANTS FROM THE WATERWAY IMPROVEMENT FUND
6 PER CERTIFICATION OR RECERTIFICATION AS A MARYLAND CLEAN MARINA;

7 (3) A FACILITY MAY NOT RECEIVE A GRANT UNLESS IT IS
8 ACTIVELY ENGAGED IN THE PROCESS OF CERTIFICATION OR RECERTIFICATION
9 BY THE DEPARTMENT AS A MARYLAND CLEAN MARINA OR CLEAN MARINA
10 PARTNER;

11 (4) ELIGIBLE BEST MANAGEMENT PRACTICES ARE LIMITED TO
12 ITEMS THAT THE MARINE FACILITY MAY NEED TO QUALIFY AS A MARYLAND
13 CLEAN MARINA;

14 (5) THE SECRETARY SHALL DETERMINE THE ELIGIBILITY OF A
15 PROPOSED BEST MANAGEMENT PRACTICE FOR GRANT FUNDING;

16 (6) GRANT AWARDS SHALL BE DISTRIBUTED AFTER:

17 (I) VERIFICATION OF PROJECT INSTALLATION;

18 (II) CERTIFICATION OR RECERTIFICATION AS A MARYLAND
19 CLEAN MARINA BY THE DEPARTMENT; AND

20 (III) SUBMISSION TO THE DEPARTMENT OF PROOF OF
21 PAYMENT FOR THE PROJECT INSTALLATION;

22 (7) GRANT RECIPIENTS THAT DO NOT MAINTAIN CERTIFICATION
23 AS A MARYLAND CLEAN MARINA FOR A PERIOD OF 3 YEARS AFTER PROJECT
24 COMPLETION SHALL REIMBURSE THE WATERWAY IMPROVEMENT FUND FOR
25 ALL GRANT MONEYS RECEIVED; AND

26 (8) THE OWNERSHIP, OPERATION, AND MAINTENANCE OF ANY
27 EQUIPMENT ACQUIRED WITH GRANT FUNDS SHALL BE THE SOLE
28 RESPONSIBILITY OF THE MARINE FACILITY.

29 (c) (1) The governing body shall pay its share of matching projects under
30 subsection (b) of this section or shall repay the Waterway Improvement Fund for any
31 loan authorized under subsection (d) of this section either by:

32 (i) Means of appropriations from general funds; or

(ii) Levying a special assessment or tax against each property owner whose property lies within the district.

(2) The governing body may accept and use any gift for the cost of any project as part of the governing body's share of any matching fund project.

(d) In addition to the methods of financing provided in subsections (a) and (b) of this section, a governing body may borrow interest-free funds from the Waterway Improvement Fund for a waterway improvement project within a waterway improvement district. However, the amount borrowed from the Waterway Improvement Fund for these districts may not exceed 21% of the total attained revenue of the Waterway Improvement Fund from the previous fiscal year. A single project may not exceed 7% of the total attainment. The governing body shall repay the funds at a uniform rate over a period not to exceed 25 years as provided by agreement between the State and the governing body.

(e) The contribution of the Waterway Improvement Fund shall be limited to not more than 50% of the cost of each acquisition, and the total amount of funds expended in any fiscal year for acquisitions and projects specified in § 8-707(a)(7) and (9) of this subtitle may not exceed the amount of the motor fuel tax revenue paid to the Waterway Improvement Fund in the preceding fiscal year, as provided for in § 2-1104 of the Tax – General Article.

(f) Notwithstanding any other provision of this subtitle, funds deposited in the Waterway Improvement Fund may be used for amortization and payment of interest on bonds issued for financing projects authorized under this subtitle.

8-709.

(a) The Department shall include in its annual budget request an itemized list of requests for the use of any available money from the Waterway Improvement Fund for the projects under § 8-707 of this subtitle. The Department's list shall include a brief description of each project, an estimate of its cost, and the benefits to be derived from it. The list shall designate which projects are financed solely by the Waterway Improvement Fund, which are matching fund projects, and which are interest-free loan projects.

(b) (1) Notwithstanding the provisions of subsection (a) of this section, in any fiscal year the Department may expend from the Waterway Improvement Fund without legislative approval a total sum of not more than [\$225,000] **\$475,000**.

(2) **IN ANY FISCAL YEAR:**

(I) [Of this amount, a] **A** sum of not more than \$125,000 may be expended for small projects under § 8-707(a)(3) and (4) of this subtitle, subject to

the limitation that a single project of this kind may not exceed \$5,000 in cost to the Waterway Improvement Fund[, and];

(II) [a] A sum of not more than \$100,000 may be expended for boating safety and education; AND

(III) A SUM OF NOT MORE THAN \$250,000 MAY BE EXPENDED FOR GRANTS MADE UNDER § 8-707(A)(12) OF THIS SUBTITLE.

(c) Notwithstanding the provisions of subsection (a) of this section, the Department may propose an appropriation from the Waterway Improvement Fund to support marine operations of the Natural Resources Police not exceeding:

(1) \$1,700,000 in the Department's fiscal year 2006 budget; and

(2) \$2,000,000 in the Department's fiscal year 2007 budget, and every year thereafter.

(d) Notwithstanding the provisions of subsection (a) of this section:

(1) For each of fiscal years 2003 through 2005, as provided in the State budget, the Department may use the moneys in the Waterway Improvement Fund for administrative expenses directly relating to implementing the purposes of the Waterway Improvement Fund;

(2) For fiscal year 2006 through fiscal year 2009, as provided in the State budget, the Department may use up to the following percentage of the moneys in the Waterway Improvement Fund for administrative expenses directly relating to implementing the purposes of the Waterway Improvement Fund:

(i) In fiscal year 2006, 8%;

(ii) In fiscal year 2007, 6%;

(iii) In fiscal year 2008, 4%; and

(iv) In fiscal year 2009, 2%; and

(3) For fiscal years after fiscal year 2009, the Department may not use the moneys in the Waterway Improvement Fund for administrative expenses.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2009.