

HOUSE BILL 1164

M3

11r2705

By: **Delegates Haddaway–Riccio and Eckardt**

Introduced and read first time: February 16, 2011

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Bay Restoration Fund – Talbot County Demonstration Projects**

3 FOR the purpose of authorizing the use of certain Bay Restoration funds for certain
4 demonstration projects in Talbot County for the extension of sewer from a
5 publicly owned wastewater facility under certain circumstances; and generally
6 relating to the use of Bay Restoration funds.

7 BY repealing and reenacting, without amendments,
8 Article – Environment
9 Section 9–1605.2(a) and (b)(1)
10 Annotated Code of Maryland
11 (2007 Replacement Volume and 2010 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Environment
14 Section 9–1605.2(h)
15 Annotated Code of Maryland
16 (2007 Replacement Volume and 2010 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 9–1605.2.

21 (a) (1) There is a Bay Restoration Fund.

22 (2) It is the intent of the General Assembly that the Bay Restoration
23 Fund be:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) Used, in part, to provide the funding necessary to upgrade
2 any of the wastewater treatment facilities that are located in the State or used by
3 citizens of the State in order to achieve enhanced nutrient removal where it is
4 cost-effective to do so; and

5 (ii) Available for treatment facilities discharging into the
6 Atlantic Coastal Bays or other waters of the State, but that priority be given to
7 treatment facilities discharging into the Chesapeake Bay.

8 (3) The Bay Restoration Fund shall be maintained and administered
9 by the Administration in accordance with the provisions of this section and any rules
10 or program directives as the Secretary or the Board may prescribe.

11 (4) There is established a Bay Restoration Fee to be paid by any user
12 of a wastewater facility, an onsite sewage disposal system, or a holding tank that:

13 (i) Is located in the State; or

14 (ii) Serves a Maryland user and is eligible for funding under
15 this subtitle.

16 (b) (1) The Bay Restoration Fee is:

17 (i) Beginning January 1, 2005, for each residential dwelling
18 that receives an individual sewer bill and each user of an onsite sewage disposal
19 system or a holding tank that receives a water bill, \$2.50 per month;

20 (ii) Beginning October 1, 2005, for each user of an onsite sewage
21 disposal system that does not receive a water bill, \$30 per year;

22 (iii) Beginning October 1, 2005, for each user of a sewage holding
23 tank that does not receive a water bill, \$30 per year; and

24 (iv) Beginning January 1, 2005, for a building or group of
25 buildings under single ownership or management that receives a sewer bill and that
26 contains multiple residential dwellings that do not receive an individual sewer bill or
27 for a nonresidential user:

28 1. For each equivalent dwelling unit not exceeding 3,000
29 equivalent dwelling units, \$2.50 per month;

30 2. For each equivalent dwelling unit exceeding 3,000
31 equivalent dwelling units and not exceeding 5,000 equivalent dwelling units, \$1.25 per
32 month; and

33 3. For each equivalent dwelling unit exceeding 5,000
34 equivalent dwelling units, zero.

1 (h) (1) With regard to the funds collected under subsection (b)(1)(i), from
2 users of an onsite sewage disposal system or holding tank that receive a water bill, (ii),
3 and (iii) of this section, beginning in fiscal year 2006, the Comptroller shall:

4 (i) Establish a separate account within the Bay Restoration
5 Fund; and

6 (ii) Disburse the funds as provided under paragraph (2) of this
7 subsection.

8 (2) The Comptroller shall:

9 (i) Deposit 60% of the funds in the separate account to be used
10 for:

11 1. Subject to paragraph (3) of this subsection, with
12 priority first given to failing systems and holding tanks located in the Chesapeake and
13 Atlantic Coastal Bays Critical Area and then to failing systems that the Department
14 determines are a threat to public health or water quality, grants or loans for up to
15 100% of:

16 A. The costs attributable to upgrading an onsite sewage
17 disposal system to the best available technology for the removal of nitrogen;

18 B. The cost difference between a conventional onsite
19 sewage disposal system and a system that utilizes the best available technology for the
20 removal of nitrogen;

21 C. The cost of repairing or replacing a failing onsite
22 sewage disposal system with a system that uses the best available technology for
23 nitrogen removal; or

24 D. The cost, up to the sum of the costs authorized under
25 item 1B of this item for each individual system, of replacing multiple onsite sewage
26 disposal systems located in the same community with a new community sewerage
27 system that is owned by a local government and that meets enhanced nutrient
28 removal standards.

29 **2. THE COST OF IMPLEMENTING DEMONSTRATION**
30 **PROJECTS, INCLUDING GRANTS OF UP TO \$250,000 TO TALBOT COUNTY FOR**
31 **THE EXTENSION OF SEWER FROM A PUBLICLY OWNED WASTEWATER FACILITY**
32 **THROUGH RESTRICTED, DENIED-ACCESS SEWER LINES TO DESIGNATED AREAS**
33 **WITH DEFINED CAPACITY LIMITS BASED ON EXISTING LOTS OF RECORD; AND**

34 [2.] **3.** The reasonable costs of the Department, not to
35 exceed 8% of the funds deposited into the separate account, to:

1 A. Implement an education, outreach, and upgrade
2 program to advise owners of onsite sewage disposal systems and holding tanks on the
3 proper maintenance of the systems and tanks and the availability of grants and loans
4 under item 1 of this item;

5 B. Review and approve the design and construction of
6 onsite sewage disposal system or holding tank upgrades;

7 C. Issue grants or loans as provided under item 1 of this
8 item; and

9 D. Provide technical support for owners of upgraded
10 onsite sewage disposal systems or holding tanks to operate and maintain the upgraded
11 systems; and

12 (ii) Transfer 40% of the funds to the Maryland Agriculture
13 Water Quality Cost Share Program in the Department of Agriculture in order to fund
14 cover crop activities.

15 (3) (i) Funding for the costs identified in paragraph (2)(i)1 of this
16 subsection shall be provided in the following order of priority:

17 1. For owners of all levels of income, the costs identified
18 in paragraph (2)(i)1A and B of this subsection; and

19 2. For low-income owners, as defined by the
20 Department, the costs identified in paragraph (2)(i)1C of this subsection:

21 A. First, for best available technologies for nitrogen
22 removal; and

23 B. Second, for other wastewater treatment systems.

24 (ii) Funding for the costs identified in paragraph (2)(i)1D of this
25 subsection may be provided if:

26 1. The environmental impact of the onsite sewage
27 disposal system is documented by the local government and confirmed by the
28 Department;

29 2. It can be demonstrated that:

30 A. The replacement of the onsite sewage disposal system
31 with a new community sewerage system is more cost effective for nitrogen removal
32 than upgrading each individual onsite sewage disposal system; or

33 B. The individual replacement of the onsite sewage
34 disposal system is not feasible; and

1 3. The new community sewerage system will only serve
2 lots that have received a certificate of occupancy, or equivalent certificate, on or before
3 October 1, 2008.

4 (4) The Comptroller, in consultation with the Administration, may
5 establish any other accounts and subaccounts within the Bay Restoration Fund as
6 necessary to:

7 (i) Effectuate the purposes of this subtitle;

8 (ii) Comply with the provisions of any bond resolution;

9 (iii) Meet the requirements of any federal or State law or of any
10 grant or award to the Bay Restoration Fund; and

11 (iv) Meet any rules or program directives established by the
12 Secretary or the Board.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2011.