

## Chapter 493

(House Bill 57)

AN ACT concerning

### **Environment – Bay Restoration Fund – Authorized Uses**

FOR the purpose of authorizing certain fee revenue collected for the Bay Restoration Fund to be used to pay the cost of connecting properties served by onsite sewage disposal systems to certain existing municipal wastewater facilities under certain circumstances; establishing certain conditions for certain funding of certain costs; and generally relating to authorized uses of the Bay Restoration Fund.

BY repealing and reenacting, without amendments,

Article – Environment

Section 9–1605.2(a) and (h)(1)

Annotated Code of Maryland

(2007 Replacement Volume and 2010 Supplement)

BY repealing and reenacting, with amendments,

Article – Environment

Section 9–1605.2(h)(2) and (3)

Annotated Code of Maryland

(2007 Replacement Volume and 2010 Supplement)

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

#### **Article – Environment**

9–1605.2.

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

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

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

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

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

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

- (i) Is located in the State; or
- (ii) Serves a Maryland user and is eligible for funding under this subtitle.

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

- (i) Establish a separate account within the Bay Restoration Fund; and
- (ii) Disburse the funds as provided under paragraph (2) of this subsection.

(2) The Comptroller shall:

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

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

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

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

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

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

**E. THE COST, UP TO THE SUM OF THE COSTS AUTHORIZED UNDER ITEM 1C OF THIS ITEM FOR EACH INDIVIDUAL SYSTEM, OF CONNECTING A PROPERTY USING AN ONSITE SEWAGE DISPOSAL SYSTEM TO AN EXISTING MUNICIPAL WASTEWATER FACILITY THAT IS ACHIEVING ENHANCED NUTRIENT REMOVAL LEVEL TREATMENT.**

2. The reasonable costs of the Department, not to exceed 8% of the funds deposited into the separate account, to:

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

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

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

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

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

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

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

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

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

B. Second, for other wastewater treatment systems.

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

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

2. It can be demonstrated that:

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

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

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

**(III) FUNDING FOR THE COSTS IDENTIFIED IN PARAGRAPH (2)(I)1E OF THIS SUBSECTION MAY BE PROVIDED ONLY IF ALL OF THE FOLLOWING CONDITIONS ARE MET:**

**1. THE ENVIRONMENTAL IMPACT OF THE ONSITE SEWAGE DISPOSAL SYSTEM IS DOCUMENTED BY THE LOCAL GOVERNMENT AND CONFIRMED BY THE DEPARTMENT;**

**2. IT CAN BE DEMONSTRATED THAT:**

**A. THE REPLACEMENT OF THE ONSITE SEWAGE DISPOSAL SYSTEM WITH SERVICE TO AN EXISTING MUNICIPAL WASTEWATER FACILITY THAT IS ACHIEVING ENHANCED NUTRIENT REMOVAL LEVEL TREATMENT IS MORE COST-EFFECTIVE FOR NITROGEN REMOVAL THAN UPGRADING THE INDIVIDUAL ONSITE SEWAGE DISPOSAL SYSTEM; OR**

**B. THE INDIVIDUAL REPLACEMENT OF THE ONSITE SEWAGE DISPOSAL SYSTEM IS NOT FEASIBLE;**

**3. THE PROJECT IS CONSISTENT WITH THE COUNTY'S COMPREHENSIVE PLAN AND WATER AND SEWER MASTER PLAN;**

**4. THE ONSITE SEWAGE DISPOSAL SYSTEM WAS INSTALLED AS OF OCTOBER 1, 2008, AND THE PROPERTY THE SYSTEM SERVES IS LOCATED IN A PRIORITY FUNDING AREA, IN ACCORDANCE WITH § 5-7B-02 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND**

**5. THE LOCAL GOVERNMENT HAS ADOPTED A POLICY OR PROCEDURE THAT WILL GUARANTEE THAT ANY FUTURE CONNECTION TO AN EXISTING MUNICIPAL WASTEWATER FACILITY THAT IS FUNDED UNDER PARAGRAPH (2)(I)1E OF THIS SUBSECTION WILL MEET ALL OF THE REQUIREMENTS UNDER THIS SUBPARAGRAPH.**

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

**Approved by the Governor, May 19, 2011.**