

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 44

(Senator Colburn)

Education, Health, and Environmental Affairs

Environmental Matters

Dorchester County - Bay Restoration Fund - Collection of Restoration Fee

This bill authorizes the Dorchester County Council to collect the bay restoration fee on behalf of the Dorchester County Sanitary District.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: The bill is not anticipated to have a material impact on State finances. Any additional fee revenue collected under the bill's authorization will be negligible.

Local Effect: Dorchester County workloads increase minimally but can be handled with existing resources. Dorchester County Sanitary District revenues may increase minimally beginning in FY 2013 to the extent that actions taken by Dorchester County to collect unpaid bay restoration fees also result in the payment of other unpaid water or sewer charges.

Small Business Effect: Minimal or none.

Analysis

Current Law/Background: The Bay Restoration Fund was created in 2004 to address the deterioration of the Chesapeake Bay caused by excessive phosphorus, nitrogen, and sediment runoff. The dedicated special purpose fund is principally used to support upgrades to Maryland's 67 major publicly owned wastewater treatment plants (WWTP) with enhanced nutrient removal technology; funds are also used for septic system upgrade grants and the Cover Crop Program within the Maryland Department of

Agriculture. The fund is supported by a bay restoration fee on users of WWTPs and septic systems. The fee is generally \$30 per year for residential users and \$30 per year per equivalent dwelling unit for commercial and industrial users, not to exceed \$120,000 per year.

Generally, the bay restoration fee must be collected by a local government or a billing authority for the appropriate local water or wastewater facility. A local government, billing authority for a water or wastewater facility, or any other authorized collection agency may use all of its existing procedures and authority for collecting a water or sewer bill, septic system bill, or a holding tank bill in order to enforce the collection of bay restoration fees. In Dorchester County, an unpaid bay restoration fee is a lien against the property served by a wastewater facility, septic system, or holding tank, and a notice of the lien must be recorded in the county's land records. This bill specifies that, even though the Dorchester County Sanitary District provides water and wastewater services to some county residents, the county may collect the bay restoration fee from these residents instead.

The Dorchester County Sanitary District advises that its current fee collection authority is insufficient, and that the transfer of bay restoration fee collection authority to the county will result in more effective collection against delinquent accounts due to the county's greater resources and authority to impose a lien on the relevant property. As of January 13, 2012, about \$4,500 in unpaid bay restoration fees were owed to the Dorchester County Sanitary District.

For contextual purposes, as of December 31, 2011, about \$463.6 million in bay restoration fees had been collected in Maryland, including about \$4.2 million in Dorchester County.

Additional Information

Prior Introductions: None.

Cross File: HB 61 (Delegate Eckardt, *et al.*) – Environmental Matters.

Information Source(s): Dorchester County Sanitary District, Dorchester County, Maryland Department of the Environment, Department of Legislative Services

Fiscal Note History: First Reader - January 16, 2012
mlm/lgc Revised - Senate Third Reader - February 1, 2012

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