

HOUSE BILL 11

M3

4lr0046

(PRE-FILED)

By: **Chair, Environmental Matters Committee (By Request – Departmental – Environment)**

Requested: October 10, 2013

Introduced and read first time: January 8, 2014

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of authorizing certain fee revenue collected for the Bay Restoration
4 Fund to pay certain debt issued by a local government for the cost of connecting
5 properties served by on-site sewage disposal systems to certain existing
6 municipal wastewater facilities under certain circumstances; altering certain
7 conditions for certain funding of certain costs; and generally relating to
8 authorized uses of the Bay Restoration Fund.

9 BY repealing and reenacting, with amendments,
10 Article – Environment
11 Section 9–1605.2(h)
12 Annotated Code of Maryland
13 (2007 Replacement Volume and 2013 Supplement)

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

16 **Article – Environment**

17 9–1605.2.

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

21 (i) Establish a separate account within the Bay Restoration
22 Fund; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 (2) The Comptroller shall:

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

6 1. Subject to paragraph (3) of this subsection, with
7 priority first given to failing systems and holding tanks located in the Chesapeake and
8 Atlantic Coastal Bays Critical Area and then to failing systems that the Department
9 determines are a threat to public health or water quality, grants or loans for up to
10 100% of:

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

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

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

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

24 E. The cost, up to the sum of the costs authorized under
25 item C of this item for each individual system, of connecting a property using an onsite
26 sewage disposal system to an existing municipal wastewater facility that is achieving
27 enhanced nutrient removal level treatment, **INCLUDING PAYMENT OF THE**
28 **PRINCIPAL, BUT NOT INTEREST, OF DEBT ISSUED BY A LOCAL GOVERNMENT**
29 **FOR SUCH CONNECTION COSTS; and**

30 2. The reasonable costs of the Department, not to exceed
31 8% of the funds deposited into the separate account, to:

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

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

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

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

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

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

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

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

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

19 B. Second, for other wastewater treatment systems.

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

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

25 2. It can be demonstrated that:

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

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

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

1 (iii) Funding for the costs identified in paragraph (2)(i)1E of this
2 subsection may be provided only if all of the following conditions are met:

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

6 2. It can be demonstrated that:

7 A. The replacement of the onsite sewage disposal system
8 with service to an existing municipal wastewater facility that is achieving enhanced
9 nutrient removal level treatment is more cost-effective for nitrogen removal than
10 upgrading the individual onsite sewage disposal system; or

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

13 3. The project is consistent with the county's
14 comprehensive plan and water and sewer master plan; **AND**

15 4. **A.** The onsite sewage disposal system was
16 installed as of October 1, 2008, and the property the system serves is located in a
17 priority funding area, in accordance with § 5-7B-02 of the State Finance and
18 Procurement Article]; and

19 5. The local government has adopted a policy or
20 procedure that will guarantee that any future connection to an existing municipal
21 wastewater facility that is funded under paragraph (2)(i)1E of this subsection will
22 meet all of the requirements under this subparagraph]; **OR**

23 **B. THE ON-SITE SEWAGE DISPOSAL SYSTEM WAS**
24 **INSTALLED AS OF OCTOBER 1, 2008, THE PROPERTY THE SYSTEM SERVES IS**
25 **NOT LOCATED IN A PRIORITY FUNDING AREA, AND THE PROJECT MEETS THE**
26 **REQUIREMENTS UNDER § 5-7B-06 OF THE STATE FINANCE AND**
27 **PROCUREMENT ARTICLE AND IS CONSISTENT WITH A PUBLIC HEALTH AREA OF**
28 **CONCERN IDENTIFIED IN THE COUNTY WATER AND SEWER PLAN.**

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

32 (i) Effectuate the purposes of this subtitle;

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

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

3 (iv) Meet any rules or program directives established by the
4 Secretary or the Board.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2014.