

# SENATE BILL 863

M3

(5lr2968)

## ENROLLED BILL

— *Education, Health, and Environmental Affairs/Environment and Transportation* —

Introduced by **Senators Miller, Astle, Bates, Benson, Brochin, Cassilly, Conway, Currie, DeGrange, Eckardt, Edwards, Guzzone, Hershey, Hough, Jennings, Kasemeyer, King, Klausmeier, Madaleno, Mathias, Middleton, Montgomery, Nathan-Pulliam, Peters, Pugh, Raskin, Ready, Salling, Serafini, Waugh, ~~and Zirkin~~ Zirkin, Simonaire, Young, and Rosapepe**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

### 2 **Watershed Protection and Restoration Programs – Revisions**

3 FOR the purpose of repealing the requirement that a certain county or municipality adopt  
4 and implement local laws or ordinances necessary to establish a watershed  
5 protection and restoration program; exempting a certain county from certain  
6 provisions of this Act; authorizing a certain county or municipality to adopt and  
7 implement local laws or ordinances necessary to establish a watershed protection  
8 and restoration program; repealing the requirement that a certain program include  
9 a certain fee ~~and a certain fund~~; authorizing a certain program to include a certain  
10 fee ~~and a certain fund~~; ~~repealing the requirement that a certain county or~~  
11 ~~municipality maintain or administer a certain fund in accordance with certain~~

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#### 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.

*Italics indicate opposite chamber/conference committee amendments.*



1 ~~requirements; authorizing a certain county or municipality to maintain or~~  
2 ~~administer a certain fund in accordance with certain requirements; *authorizing a*~~  
3 ~~*certain county or municipality that established a certain fee on or before a certain*~~  
4 ~~*date to repeal or reduce a fee before a certain date under certain circumstances;*~~  
5 ~~repealing the requirement that a certain county or municipality establish and~~  
6 ~~annually collect a certain fee; authorizing a certain county or municipality to~~  
7 ~~establish and annually collect a certain fee; requiring a county that ~~includes funds~~~~  
8 ~~the cost of stormwater remediation in the county's capital budget or operating budget~~  
9 ~~by using certain revenues or through the issuance of certain bonds to meet with each~~  
10 ~~municipality within its jurisdiction to mutually agree that the county will take a~~  
11 ~~certain action;~~ exempting certain veterans' organizations from being charged a  
12 stormwater remediation fee by a county or municipality; authorizing the State or a  
13 unit of State government to be charged a stormwater remediation fee by a county  
14 under certain circumstances; authorizing a county or municipality to charge a  
15 stormwater remediation fee to certain properties only under certain circumstances;  
16 ~~repealing the requirement that a certain county or municipality set a certain fee in~~  
17 ~~a certain manner; authorizing a certain county or municipality to set a certain fee in~~  
18 ~~a certain manner; establishing a maximum stormwater remediation fee for certain~~  
19 ~~nonprofit groups or organizations; requiring a county or municipality to include a~~  
20 ~~certain statement on a bill *or insert to a bill* to collect a stormwater remediation fee;~~  
21 ~~authorizing local watershed protection and restoration funds to receive certain~~  
22 ~~funds; ~~requiring certain funds disbursed from local watershed protection and~~~~  
23 ~~~~restoration funds to be in addition to existing State or local expenditures for~~~~  
24 ~~~~stormwater management; prohibiting certain funds from being used for certain~~~~  
25 ~~~~programs, services, or staff that were in existence on or before a certain date;~~~~ altering  
26 a certain reporting requirement; requiring a county or municipality to file a certain  
27 ~~annual~~ financial assurance plan every 2 years with the Department of the  
28 Environment in accordance with certain requirements beginning on or before  
29 a certain date; requiring that a financial assurance plan demonstrate certain funding  
30 capacity; ~~requiring the Department to hold a public hearing within a certain number~~  
31 ~~of days of a certain filing~~ *prohibiting a certain county or municipality from filing a*  
32 *certain financial assurance plan until a certain local governing body holds a public*  
33 *hearing and approves the financial assurance plan;* requiring the Department to  
34 make a decision whether the financial assurance plan demonstrates sufficient  
35 funding within a certain number of days of a certain filing; ~~prohibiting a county or~~  
36 ~~municipality from receiving certain funding if the Department makes a certain~~  
37 ~~determination; *specifying that certain funding in a certain financial assurance plan*~~  
38 *is sufficient under certain circumstances; requiring the Department to issue a certain*  
39 *warning and impose certain administrative penalties under certain circumstances;*  
40 requiring the Department to submit a certain annual report to the Governor and  
41 certain committees of the General Assembly in accordance with certain requirements  
42 beginning on a certain date; requiring a county or municipality to authorize certain  
43 nonprofit groups or organizations to implement a certain plan in lieu of paying a  
44 stormwater remediation fee under certain circumstances; ~~requiring~~ authorizing the  
45 Department to adopt regulations to establish a certain plan; providing that certain  
46 regulations adopted by the Department do not apply in a county that has implemented  
47 a certain program before a certain date; prohibiting a certain county from imposing

1 a certain charge to a certain veterans' organization ~~and~~, a certain volunteer fire  
 2 department, *or certain roads* under certain circumstances; authorizing the State or  
 3 a unit of State government in a certain county to be charged a certain charge by a  
 4 certain county under certain circumstances; authorizing a certain county to exempt  
 5 a property from certain charges under certain circumstances; authorizing a certain  
 6 county to establish a certain hardship program or include a hardship exemption as  
 7 part of a system of offsets; authorizing a certain county to impose a certain charge  
 8 on certain properties under certain circumstances; authorizing funds in the Bay  
 9 Restoration Fund to be used for costs associated with the implementation of certain  
 10 alternate compliance plans; *altering certain definitions relating to the Maryland*  
 11 *Water Quality Revolving Loan Fund; modifying certain conditions for loans issued*  
 12 *under the Maryland Water Quality Revolving Loan Fund; authorizing certain money*  
 13 *in the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to be used for certain*  
 14 *purposes; requiring a county that owns property located in a municipality that has*  
 15 *adopted certain stormwater charges to enter into a certain memorandum of*  
 16 *understanding with the municipality to mutually agree on an amount to be paid by*  
 17 *the county to defray certain costs of stormwater pollution control services; requiring a*  
 18 *municipality that owns property located in a county that has adopted certain*  
 19 *stormwater charges to enter into a certain memorandum of understanding with the*  
 20 *county to mutually agree on an amount to be paid by the municipality to defray*  
 21 *certain costs of stormwater pollution control services; providing for the construction*  
 22 *of this Act; making stylistic changes; ~~providing for the effective date of certain~~*  
 23 *provisions of this Act; ~~providing for the termination of certain provisions of this Act;~~*  
 24 and generally relating to watershed protection and restoration programs.

25 BY repealing and reenacting, with amendments,  
 26 Article – Environment  
 27 Section 4-202.1 *and* 4-204(d)  
 28 Annotated Code of Maryland  
 29 (2013 Replacement Volume and 2014 Supplement)

30 ~~BY repealing and reenacting, without amendments,~~  
 31 ~~Article – Environment~~  
 32 ~~Section 4-204(d)~~  
 33 ~~Annotated Code of Maryland~~  
 34 ~~(2013 Replacement Volume and 2014 Supplement)~~

35 BY adding to  
 36 Article – Environment  
 37 Section 4-204(e)  
 38 Annotated Code of Maryland  
 39 (2013 Replacement Volume and 2014 Supplement)

40 BY repealing and reenacting, without amendments,  
 41 Article – Environment  
 42 Section 9-1601(a) and 9-1605(a)(1)  
 43 Annotated Code of Maryland

1 (2014 Replacement Volume)

2 BY repealing and reenacting, with amendments,  
 3 Article – Environment  
 4 Section 9–1601(ee)(1) and (ii), 9–1605(d)(1), and 9–1605.2(i)(2)  
 5 Annotated Code of Maryland  
 6 (2014 Replacement Volume)

7 ~~BY repealing and reenacting, with amendments,~~  
 8 ~~Article – Environment~~  
 9 ~~Section 9–1605.2(i)(2)~~  
 10 ~~Annotated Code of Maryland~~  
 11 ~~(2014 Replacement Volume)~~  
 12 ~~(As enacted by Chapter 150 of the Acts of the General Assembly of 2012)~~

13 BY repealing and reenacting, without amendments,  
 14 Article – Natural Resources  
 15 Section 8–2A–02(a) and (f)(1)  
 16 Annotated Code of Maryland  
 17 (2012 Replacement Volume and 2014 Supplement)

18 BY repealing and reenacting, with amendments,  
 19 Article – Natural Resources  
 20 Section 8–2A–02(f)(2)  
 21 Annotated Code of Maryland  
 22 (2012 Replacement Volume and 2014 Supplement)

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

25 **Article – Environment**

26 4–202.1.

27 (a) (1) Except as provided in ~~paragraph~~ **PARAGRAPHS (2) AND (3)** of this  
 28 subsection, this section applies to a county or municipality that is subject to a national  
 29 pollutant discharge elimination system Phase I municipal separate storm sewer system  
 30 permit.

31 (2) This section does not apply to a county or municipality that, on or before  
 32 July 1, 2012, has enacted and implemented a system of charges under § 4–204 of this  
 33 subtitle for the purpose of funding a watershed protection and restoration program, or  
 34 similar program, in a manner consistent with the requirements of this section.

35 **(3) EXCEPT AS PROVIDED IN SUBSECTION (J) OF THIS SECTION, THIS**  
 36 **SECTION DOES NOT APPLY IN MONTGOMERY COUNTY.**

1 (b) [On or before July 1, 2013, a] A county or municipality ~~[shall]~~ ~~MAY~~ adopt and  
 2 implement local laws or ordinances necessary to establish a watershed protection and  
 3 restoration program.

4 (c) **(1)** A watershed protection and restoration program established under this  
 5 section ~~[shall]~~ ~~MAY~~ include:

6 ~~(1)~~ **(I)** ~~A~~ MAY INCLUDE A stormwater remediation fee; and

7 ~~(2)~~ **(II)** ~~A~~ SHALL INCLUDE A local watershed protection and restoration  
 8 fund.

9 **(2) (I)** IF A COUNTY OR MUNICIPALITY ESTABLISHED A  
 10 STORMWATER REMEDIATION FEE UNDER THIS SECTION ON OR BEFORE JULY 1, 2013,  
 11 THE COUNTY OR MUNICIPALITY MAY REPEAL OR REDUCE THE FEE BEFORE JULY 1,  
 12 2016, IF:

13 1. THE COUNTY OR MUNICIPALITY IDENTIFIES  
 14 DEDICATED REVENUES, FUNDS, OR OTHER SOURCES OF FUNDS THAT WILL BE:

15 A. DEPOSITED INTO ITS LOCAL WATERSHED  
 16 PROTECTION AND RESTORATION FUND; AND

17 B. UTILIZED BY THE COUNTY OR MUNICIPALITY TO MEET  
 18 THE REQUIREMENTS OF ITS NATIONAL POLLUTANT DISCHARGE ELIMINATION  
 19 SYSTEM PHASE I MUNICIPAL SEPARATE STORM SEWER SYSTEM PERMIT;

20 2. SUBJECT TO SUBPARAGRAPH (III) OF THIS  
 21 PARAGRAPH, THE COUNTY OR MUNICIPALITY HAS FILED WITH THE DEPARTMENT A  
 22 FINANCIAL ASSURANCE PLAN IN ACCORDANCE WITH SUBSECTION (J) OF THIS  
 23 SECTION; AND

24 3. THE DEPARTMENT DETERMINES THE FINANCIAL  
 25 ASSURANCE PLAN DEMONSTRATES GOOD FAITH TOWARD ACHIEVING SUFFICIENT  
 26 FUNDING IN ACCORDANCE WITH SUBSECTION (J)(4)(II) OF THIS SUBSECTION.

27 **(II)** THIS PARAGRAPH MAY NOT BE CONSTRUED AS PROHIBITING  
 28 A COUNTY OR MUNICIPALITY FROM REPEALING OR REDUCING A FEE ON OR AFTER  
 29 JULY 1, 2016.

30 (d) (1) A county or municipality ~~[shall]~~ ~~MAY~~ maintain or administer a local  
 31 watershed protection and restoration fund in accordance with this section.

(2) The purpose of a local watershed protection and restoration fund is to provide financial assistance for the implementation of local stormwater management plans through stormwater management practices and stream and wetland restoration activities.

(e) (1) **(I)** Except as provided in paragraph (2) of this subsection and subsection (f) of this section, a county or municipality [shall] **MAY** establish and annually collect a stormwater remediation fee from owners of property located within the county or municipality in accordance with this section.

**(II) ~~IF BEGINNING FISCAL YEAR 2017, IF A COUNTY INCLUDES FUNDS THE COST OF STORMWATER REMEDIATION IN THE COUNTY'S CAPITAL BUDGET OR OPERATING BUDGET BY USING GENERAL REVENUES OR THROUGH THE ISSUANCE OF BONDS, THE COUNTY SHALL MEET WITH EACH MUNICIPALITY WITHIN ITS JURISDICTION TO MUTUALLY AGREE THAT THE COUNTY WILL:~~**

**1. ASSUME RESPONSIBILITY FOR THE MUNICIPALITY'S STORMWATER REMEDIATION OBLIGATIONS; ~~OR~~**

**2. FOR A MUNICIPALITY THAT HAS ESTABLISHED A STORMWATER REMEDIATION FEE UNDER THIS SECTION OR § 4-204 OF THIS SUBTITLE, ADJUST THE COUNTY PROPERTY TAX RATE WITHIN THE MUNICIPALITY TO OFFSET THE STORMWATER REMEDIATION FEE CHARGED BY THE MUNICIPALITY; OR**

**3. NEGOTIATE A MEMORANDUM OF UNDERSTANDING WITH THE MUNICIPALITY TO MUTUALLY AGREE UPON ANY OTHER ACTION.**

(2) (I) [Property] **EXCEPT AS PROVIDED IN ~~SUBPARAGRAPH SUBPARAGRAPHS (II) AND (III)~~ OF THIS PARAGRAPH, PROPERTY** owned by the State, a unit of State government, a county, a municipality, A VETERANS' ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(4) OR (19) OF THE INTERNAL REVENUE CODE, or a regularly organized volunteer fire department that is used for public purposes may not be charged a stormwater remediation fee under this section.

**(II) 1. ~~PROPERTY~~ EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, PROPERTY OWNED BY THE STATE OR A UNIT OF STATE GOVERNMENT MAY BE CHARGED A STORMWATER REMEDIATION FEE BY A COUNTY UNDER THIS SECTION IF:**

**1. A. THE STATE OR A UNIT OF STATE GOVERNMENT AND A COUNTY AGREE TO THE COLLECTION OF AN ANNUAL STORMWATER REMEDIATION FEE FROM THE STATE OR A UNIT OF STATE GOVERNMENT THAT IS BASED ON THE SHARE OF STORMWATER MANAGEMENT SERVICES RELATED TO PROPERTY OF THE**

1 STATE OR A UNIT OF STATE GOVERNMENT ~~PROPERTY~~ LOCATED WITHIN THE  
2 COUNTY;

3 ~~2.~~ B. THE COUNTY AGREES TO APPROPRIATE INTO ITS OWN  
4 LOCAL WATERSHED PROTECTION AND RESTORATION FUND, ON AN ANNUAL BASIS,  
5 AN AMOUNT OF MONEY THAT IS BASED ON THE SHARE OF STORMWATER  
6 MANAGEMENT SERVICES RELATED TO COUNTY PROPERTY ON AN ANNUAL BASIS;  
7 AND

8 ~~3.~~ C. THE COUNTY DEMONSTRATES TO THE  
9 ~~DEPARTMENT'S~~ SATISFACTION OF THE STATE OR A UNIT OF STATE GOVERNMENT  
10 THAT THE FEES COLLECTED UNDER ITEM ~~1~~ A OF THIS SUBPARAGRAPH AND THE  
11 MONEY APPROPRIATED UNDER ITEM ~~2~~ B OF THIS SUBPARAGRAPH WERE DEPOSITED  
12 INTO THE COUNTY'S LOCAL WATERSHED PROTECTION AND RESTORATION FUND.

13 2. A COUNTY OR MUNICIPALITY MAY NOT CHARGE A  
14 STORMWATER REMEDIATION FEE TO PROPERTY SPECIFICALLY COVERED BY A  
15 CURRENT NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM MUNICIPAL  
16 SEPARATE STORM SEWER SYSTEM PERMIT OR INDUSTRIAL STORMWATER PERMIT  
17 HELD BY THE STATE OR A UNIT OF STATE GOVERNMENT.

18 (III) ~~THE MONEY DEPOSITED IN A COUNTY'S LOCAL WATERSHED~~  
19 ~~PROTECTION AND RESTORATION FUND UNDER SUBPARAGRAPH (II) OF THIS~~  
20 ~~PARAGRAPH MAY ONLY BE USED TO ALLOW A COUNTY TO REDUCE THE AMOUNT OF~~  
21 ~~FEES COLLECTED FROM PROPERTY IN THE COUNTY THAT IS NOT OWNED BY THE~~  
22 ~~STATE OR COUNTY~~ A COUNTY OR MUNICIPALITY MAY CHARGE A STORMWATER  
23 REMEDATION FEE TO PROPERTY OWNED BY A VETERANS' ORGANIZATION THAT IS  
24 EXEMPT FROM TAXATION UNDER § 501(C)(4) OR (19) OF THE INTERNAL REVENUE  
25 CODE OR A REGULARLY ORGANIZED VOLUNTEER FIRE DEPARTMENT IF:

26 1. THE COUNTY OR MUNICIPALITY DETERMINES THAT  
27 THE CREATION OF A NONDISCRIMINATORY PROGRAM FOR APPLYING THE  
28 STORMWATER REMEDIATION FEE TO FEDERAL PROPERTIES UNDER THE FEDERAL  
29 FACILITIES POLLUTION CONTROL SECTION OF THE CLEAN WATER ACT IS  
30 NECESSARY IN ORDER FOR THE COUNTY OR MUNICIPALITY TO RECEIVE FEDERAL  
31 FUNDING FOR STORMWATER REMEDIATION; AND

32 2. A VETERANS' ORGANIZATION THAT IS EXEMPT FROM  
33 TAXATION UNDER § 501(C)(4) OR (19) OF THE INTERNAL REVENUE CODE AND A  
34 REGULARLY ORGANIZED VOLUNTEER FIRE DEPARTMENT THAT IS USED FOR PUBLIC  
35 PURPOSES ARE PROVIDED WITH THE OPPORTUNITY TO APPLY FOR AN ALTERNATE  
36 COMPLIANCE PLAN ESTABLISHED UNDER SUBSECTION (K)(3) OF THIS SECTION  
37 INSTEAD OF PAYING A STORMWATER REMEDIATION FEE CHARGED BY A COUNTY OR  
38 MUNICIPALITY UNDER ITEM 1 OF THIS SUBPARAGRAPH.

1           (3) (i) ~~[A] SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A~~ IF  
 2 A COUNTY OR MUNICIPALITY ESTABLISHES A STORMWATER REMEDIATION FEE  
 3 UNDER THIS SECTION, A county or municipality ~~{shall}~~ **MAY** set a stormwater  
 4 remediation fee for property in an amount that is based on the share of stormwater  
 5 management services related to the property and provided by the county or municipality.

6           (ii) A county or municipality may set a stormwater remediation fee  
 7 under this paragraph based on:

8                   1. A flat rate;

9                   2. An amount that is graduated, based on the amount of  
 10 impervious surface on each property; or

11                  3. Another method of calculation selected by the county or  
 12 municipality.

13           ~~(4) EXCEPT AS PROVIDED IN SUBSECTION (K)(3) OF THIS SECTION,~~  
 14 ~~THE STORMWATER REMEDIATION FEE FOR PROPERTY OWNED BY A CHARITABLE~~  
 15 ~~NONPROFIT GROUP OR ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER §~~  
 16 ~~501(C)(3) OR (D) OF THE INTERNAL REVENUE CODE MAY NOT EXCEED \$15 PER~~  
 17 ~~1,000 SQUARE FEET OF IMPERVIOUS SURFACE.~~

18           ~~{(4)}~~ **(5) [A] IF A COUNTY OR MUNICIPALITY ESTABLISHES A**  
 19 **STORMWATER REMEDIATION FEE UNDER THIS SECTION, THE** stormwater remediation  
 20 fee established under this section is separate from any charges that a county or  
 21 municipality establishes related to stormwater management for new developments under  
 22 § 4-204 of this subtitle, including fees for permitting, review of stormwater management  
 23 plans, inspections, or monitoring.

24           (f) (1) **[A] IF A COUNTY OR MUNICIPALITY ESTABLISHES A STORMWATER**  
 25 **REMEDATION FEE UNDER THIS SECTION, THE** county or municipality shall establish  
 26 policies and procedures, approved by the Department, to reduce any portion of a  
 27 stormwater remediation fee established under subsection (e) of this section to account for  
 28 on-site and off-site systems, facilities, services, or activities that reduce the quantity or  
 29 improve the quality of stormwater discharged from the property.

30           (2) The policies and procedures established by a county or municipality  
 31 under paragraph (1) of this subsection shall include:

32                   (i) Guidelines for determining which on-site systems, facilities,  
 33 services, or activities may be the basis for a fee reduction, including guidelines:

34                   1. Relating to properties with existing advanced stormwater  
 35 best management practices;



1                   2.     Relating to agricultural activities or facilities that are  
2 otherwise exempted from stormwater management requirements by the county or  
3 municipality; and

4                   3.     That account for the costs of, and the level of treatment  
5 provided by, stormwater management facilities that are funded and maintained by a  
6 property owner;

7                   (ii)    The method for calculating the amount of a fee reduction; and

8                   (iii)   Procedures for monitoring and verifying the effectiveness of the  
9 on-site systems, facilities, services, or activities in reducing the quantity or improving the  
10 quality of stormwater discharged from the property.

11                  (3)    For the purpose of monitoring and verifying the effectiveness of on-site  
12 systems, facilities, services, or activities under paragraph (2)(iii) of this subsection, a county  
13 or municipality may:

14                  (i)    Conduct on-site inspections;

15                  (ii)   Authorize a third party, certified by the Department, to conduct  
16 on-site inspections on behalf of the county or municipality; or

17                  (iii)   Require a property owner to hire a third party, certified by the  
18 Department, to conduct an on-site inspection and provide to the county or municipality the  
19 results of the inspection and any other information required by the county or municipality.

20                  (g)   (1)   A property may not be assessed a stormwater remediation fee by both  
21 a county and a municipality.

22                  (2)   (i)    Before a county may impose a stormwater remediation fee on a  
23 property located within a municipality, the county shall:

24                               1.     Notify the municipality of the county's intent to impose a  
25 stormwater remediation fee on property located within the municipality; and

26                               2.     Provide the municipality reasonable time to pass an  
27 ordinance authorizing the imposition of a municipal stormwater remediation fee instead of  
28 a county stormwater remediation fee.

29                               (ii)   If a county currently imposes a stormwater remediation fee on  
30 property located within a municipality and the municipality decides to implement its own  
31 stormwater remediation fee under this section or § 4-204 of this subtitle, the municipality  
32 shall:

1                   1.     Notify the county of the municipality's intent to impose its  
2 own stormwater remediation fee; and

3                   2.     Provide the county reasonable time to discontinue the  
4 collection of the county stormwater remediation fee within the municipality before the  
5 municipality's stormwater remediation fee becomes effective.

6                   (3)    A county or municipality shall establish a procedure for a property  
7 owner to appeal a stormwater remediation fee imposed under this section.

8           (h)   (1)   **(I) [A] IF A COUNTY OR MUNICIPALITY ESTABLISHES A**  
9 **STORMWATER REMEDIATION FEE UNDER THIS SECTION, THE** county or municipality  
10 shall determine the method, frequency, and enforcement of the collection of the stormwater  
11 remediation fee.

12                               **(II) A COUNTY OR MUNICIPALITY SHALL INCLUDE THE**  
13 **FOLLOWING STATEMENT ON A BILL OR ON AN INSERT TO A BILL TO COLLECT A**  
14 **STORMWATER REMEDIATION FEE: "THIS IS A LOCAL GOVERNMENT FEE**  
15 **ESTABLISHED IN RESPONSE TO FEDERAL STORMWATER MANAGEMENT**  
16 **REQUIREMENTS. THE FEDERAL REQUIREMENTS ARE DESIGNED TO PREVENT LOCAL**  
17 **SOURCES OF POLLUTION FROM REACHING LOCAL WATERWAYS."**.

18                   (2)    A county or municipality shall deposit [the] ANY stormwater  
19 remediation fees it collects into its local watershed protection and restoration fund.

20                   (3)    There shall be deposited in a local watershed protection and restoration  
21 fund:

22                               (i)    **[Funds] ANY FUNDS** received from the stormwater remediation  
23 fee;

24                               **(II) FUNDS RECEIVED UNDER ~~SUBSECTION~~ SUBSECTIONS (C)(2)**  
25 **AND (E)(2) OF THIS SECTION;**

26                               **[(ii)] (III)** Interest or other income earned on the investment of  
27 money in the local watershed protection and restoration fund; and

28                               **[(iii)] (IV)** Any additional money made available from any sources for  
29 the purposes for which the local watershed protection and restoration fund has been  
30 established.

31                   (4)    Subject to paragraph (5) of this subsection, a county or municipality  
32 shall use the money in its local watershed protection and restoration fund for the following  
33 purposes only:

1 (i) Capital improvements for stormwater management, including  
2 stream and wetland restoration projects;

3 (ii) Operation and maintenance of stormwater management systems  
4 and facilities;

5 (iii) Public education and outreach relating to stormwater  
6 management or stream and wetland restoration;

7 (iv) Stormwater management planning, including:

8 1. Mapping and assessment of impervious surfaces; and

9 2. Monitoring, inspection, and enforcement activities to carry  
10 out the purposes of the watershed protection and restoration fund;

11 (v) To the extent that fees imposed under § 4–204 of this subtitle are  
12 deposited into the local watershed protection and restoration fund, review of stormwater  
13 management plans and permit applications for new development;

14 (vi) Grants to nonprofit organizations for up to 100% of a project's  
15 costs for watershed restoration and rehabilitation projects relating to:

16 1. Planning, design, and construction of stormwater  
17 management practices;

18 2. Stream and wetland restoration; and

19 3. Public education and outreach related to stormwater  
20 management or stream and wetland restoration; and

21 (vii) Reasonable costs necessary to administer the local watershed  
22 protection and restoration fund.

23 (5) A county or municipality may use its local watershed protection and  
24 restoration fund as an environmental fund, and may deposit to and expend from the fund  
25 additional money made available from other sources and dedicated to environmental uses,  
26 provided that the funds received from the stormwater remediation fee, **IF ANY**, are  
27 expended only for the purposes authorized under paragraph (4) of this subsection.

28 ~~(6) The funds disbursed under this subsection [are intended to] SHALL be~~  
29 ~~in addition to any existing State or local expenditures for stormwater management AND~~  
30 ~~MAY NOT BE USED TO FUND STORMWATER MANAGEMENT PROGRAMS, SERVICES, OR~~  
31 ~~STAFF THAT WERE IN EXISTENCE ON OR BEFORE JULY 1, 2013.~~

1 ~~(7)~~ **(6)** Money in a local watershed protection and restoration fund may  
2 not revert or be transferred to the general fund of any county or municipality.

3 (i) [Beginning July 1, 2014, and every 2 years thereafter, a county or  
4 municipality shall make publicly available a report] **A COUNTY OR MUNICIPALITY SHALL**  
5 **REPORT ANNUALLY, IN A MANNER DETERMINED BY THE DEPARTMENT, on:**

6 (1) The number of properties subject to a stormwater remediation fee, **IF**  
7 **ANY;**

8 (2) **ANY ~~THE~~ FUNDING STRUCTURE DEVELOPED BY THE COUNTY OR**  
9 **MUNICIPALITY, INCLUDING THE AMOUNT OF MONEY COLLECTED FROM EACH**  
10 **CLASSIFICATION OF PROPERTY ASSESSED A FEE, *IF ANY AND ANY SURCHARGES***  
11 **~~COLLECTED UNDER § 9-1605.2(B)(6) OF THIS ARTICLE;~~**

12 [(2)] **(3)** The amount of money deposited into the watershed protection  
13 and restoration fund [over] **IN** the previous [2] fiscal [years] **YEAR BY SOURCE; and**

14 [(3)] **(4)** The percentage **AND AMOUNT** of funds in the local watershed  
15 protection and restoration fund spent on each of the purposes provided in subsection (h)(4)  
16 of this section;

17 **(5) ALL STORMWATER MANAGEMENT PROJECTS IMPLEMENTED IN**  
18 **THE PREVIOUS FISCAL YEAR; AND**

19 **(6) ANY OTHER INFORMATION THAT THE DEPARTMENT DETERMINES**  
20 **IS NECESSARY.**

21 **(J) (1) (I) ~~BEGINNING ON OR BEFORE~~ JULY 1, 2016, AND EVERY ~~YEAR~~**  
22 **2 YEARS THEREAFTER ON THE ANNIVERSARY OF THE DATE OF ISSUANCE OF ITS**  
23 **NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM PHASE I MUNICIPAL**  
24 **SEPARATE STORM SEWER SYSTEM PERMIT, A COUNTY, INCLUDING MONTGOMERY**  
25 **COUNTY, OR MUNICIPALITY SHALL FILE WITH THE DEPARTMENT A FINANCIAL**  
26 **ASSURANCE PLAN THAT CLEARLY IDENTIFIES:**

27 ~~(H)~~ **1. ACTIONS THAT WILL BE REQUIRED OF THE COUNTY**  
28 **OR MUNICIPALITY TO MEET THE REQUIREMENTS OF ITS NATIONAL POLLUTANT**  
29 **DISCHARGE ELIMINATION SYSTEM PHASE I MUNICIPAL SEPARATE STORM SEWER**  
30 **SYSTEM PERMIT;**

31 ~~(H)~~ **2. PROJECTED ANNUAL AND 5-YEAR COSTS FOR THE**  
32 **COUNTY OR MUNICIPALITY TO MEET THE IMPERVIOUS SURFACE RESTORATION**  
33 **PLAN REQUIREMENTS OF ITS NATIONAL POLLUTANT DISCHARGE ELIMINATION**  
34 **SYSTEM PHASE I MUNICIPAL SEPARATE STORM SEWER SYSTEM PERMIT;**

1           ~~(III)~~ 3. PROJECTED ANNUAL AND 5-YEAR REVENUES OR  
 2 OTHER FUNDS THAT WILL BE USED TO MEET THE COSTS FOR THE COUNTY OR  
 3 MUNICIPALITY TO MEET THE IMPERVIOUS SURFACE RESTORATION PLAN  
 4 REQUIREMENTS OF ITS NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM  
 5 PHASE I MUNICIPAL SEPARATE STORM SEWER SYSTEM PERMIT;

6           ~~(IV)~~ 4. ANY SOURCES OF FUNDS THAT WILL BE UTILIZED BY  
 7 THE COUNTY OR MUNICIPALITY TO MEET THE REQUIREMENTS OF ITS NATIONAL  
 8 POLLUTANT ELIMINATION SYSTEM PHASE I MUNICIPAL SEPARATE STORM SEWER  
 9 SYSTEM PERMIT; AND

10           ~~(III)~~ ~~(V)~~ 5. SPECIFIC ~~PLANS~~ ACTIONS AND EXPENDITURES  
 11 THAT THE COUNTY OR MUNICIPALITY ~~WILL IMPLEMENT~~ IMPLEMENTED IN THE  
 12 PREVIOUS FISCAL ~~YEAR~~ YEARS TO MEET ITS IMPERVIOUS SURFACE RESTORATION  
 13 PLAN REQUIREMENTS UNDER ITS NATIONAL POLLUTANT DISCHARGE ELIMINATION  
 14 SYSTEM PHASE I MUNICIPAL SEPARATE STORM SEWER SYSTEM PERMIT.

15           *(II) A COUNTY OR MUNICIPALITY THAT FILES A FINANCIAL*  
 16 *ASSURANCE PLAN UNDER SUBSECTION (C)(2) OF THIS SECTION SHALL FILE ON OR*  
 17 *BEFORE JULY 1, 2016, A FINANCIAL ASSURANCE PLAN THAT MEETS THE*  
 18 *REQUIREMENTS OF PARAGRAPH (4) OF THIS SUBSECTION.*

19           *(2) A FINANCIAL ASSURANCE PLAN SHALL DEMONSTRATE THAT THE*  
 20 *COUNTY OR MUNICIPALITY HAS SUFFICIENT FUNDING IN THE CURRENT FISCAL*  
 21 *YEAR AND SUBSEQUENT FISCAL YEAR ~~BUDGET~~ BUDGETS TO MEET ITS ESTIMATED*  
 22 *ANNUAL COSTS FOR THE 2-YEAR PERIOD IMMEDIATELY FOLLOWING THE FILING*  
 23 *DATE OF THE FINANCIAL ASSURANCE PLAN.*

24           *(3) ~~THE DEPARTMENT SHALL HOLD A PUBLIC HEARING WITHIN 30~~*  
 25 *~~DAYS AFTER THE COUNTY OR MUNICIPALITY FILED THE FINANCIAL ASSURANCE~~*  
 26 *~~PLAN WITH THE DEPARTMENT~~ A COUNTY OR MUNICIPALITY MAY NOT FILE A*  
 27 *FINANCIAL ASSURANCE PLAN UNDER THIS SUBSECTION UNTIL THE LOCAL*  
 28 *GOVERNING BODY OF THE COUNTY OR MUNICIPALITY;*

29           *(I) HOLDS A PUBLIC HEARING ON THE FINANCIAL ASSURANCE*  
 30 *PLAN; AND*

31           *(II) APPROVES THE FINANCIAL ASSURANCE PLAN.*

32           *(4) (I) ~~THE~~ SUBJECT TO SUBPARAGRAPHS (II) AND (III) OF THIS*  
 33 *PARAGRAPH, THE DEPARTMENT SHALL MAKE A DECISION WHETHER THE FINANCIAL*  
 34 *ASSURANCE PLAN DEMONSTRATES SUFFICIENT FUNDING WITHIN 90 DAYS AFTER*

1 THE COUNTY OR MUNICIPALITY FILED THE FINANCIAL ASSURANCE PLAN WITH THE  
 2 DEPARTMENT.

3 (II) FOR A FINANCIAL ASSURANCE PLAN THAT IS FILED ON OR  
 4 BEFORE JULY 1, 2016, FUNDING IN THE FINANCIAL ASSURANCE PLAN IS SUFFICIENT  
 5 IF THE FINANCIAL ASSURANCE PLAN DEMONSTRATES THAT THE COUNTY OR  
 6 MUNICIPALITY HAS DEDICATED REVENUES, FUNDS, OR SOURCES OF FUNDS TO MEET,  
 7 FOR THE 2-YEAR PERIOD IMMEDIATELY FOLLOWING THE FILING DATE OF THE  
 8 FINANCIAL ASSURANCE PLAN, 75% OF THE PROJECTED COSTS OF COMPLIANCE WITH  
 9 THE IMPERVIOUS SURFACE RESTORATION PLAN REQUIREMENTS OF THE COUNTY OR  
 10 MUNICIPALITY UNDER ITS NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM  
 11 PHASE I MUNICIPAL SEPARATE STORM SEWER SYSTEM PERMIT OVER THAT 2-YEAR  
 12 PERIOD.

13 (III) FOR THE FILING OF A SECOND AND SUBSEQUENT FINANCIAL  
 14 ASSURANCE PLAN, FUNDING IN THE FINANCIAL ASSURANCE PLAN IS SUFFICIENT IF  
 15 THE FINANCIAL ASSURANCE PLAN DEMONSTRATES THAT THE COUNTY OR  
 16 MUNICIPALITY HAS DEDICATED REVENUES, FUNDS, OR SOURCES OF FUNDS TO MEET,  
 17 FOR THE 2-YEAR PERIOD IMMEDIATELY FOLLOWING THE FILING DATE OF THE  
 18 FINANCIAL ASSURANCE PLAN, 100% OF THE PROJECTED COSTS OF COMPLIANCE  
 19 WITH THE IMPERVIOUS SURFACE RESTORATION PLAN REQUIREMENTS OF THE  
 20 COUNTY OR MUNICIPALITY UNDER ITS NATIONAL POLLUTANT DISCHARGE  
 21 ELIMINATION SYSTEM PHASE I MUNICIPAL SEPARATE STORM SEWER SYSTEM  
 22 PERMIT OVER THE 2-YEAR PERIOD.

23 ~~(5) IF THE DEPARTMENT DETERMINES THAT THE FUNDING IN THE~~  
 24 ~~FINANCIAL ASSURANCE PLAN IS INSUFFICIENT TO MEET THE PROJECTED ANNUAL~~  
 25 ~~COSTS OF COMPLIANCE WITH A COUNTY'S OR MUNICIPALITY'S NATIONAL~~  
 26 ~~POLLUTANT DISCHARGE ELIMINATION SYSTEM PHASE I MUNICIPAL SEPARATE~~  
 27 ~~STORM SEWER SYSTEM PERMIT, THE COUNTY OR MUNICIPALITY MAY NOT RECEIVE~~  
 28 ~~STATE FUNDING, ASSURANCES, GUARANTEES, GRANT PAYMENTS, CREDITS, TAX~~  
 29 ~~CREDITS, OR OTHER ASSISTANCE FOR ANY PROJECT FROM:~~

30 ~~(I) THE WATER POLLUTION CONTROL FUND, ESTABLISHED~~  
 31 ~~UNDER § 9-345 OF THIS ARTICLE;~~

32 ~~(II) THE WATER SUPPLY FINANCIAL ASSISTANCE PROGRAM,~~  
 33 ~~ESTABLISHED UNDER § 9-420 OF THIS ARTICLE;~~

34 ~~(III) THE WATER QUALITY REVOLVING LOAN FUND,~~  
 35 ~~ESTABLISHED UNDER § 9-1605 OF THIS ARTICLE;~~

36 ~~(IV) THE BAY RESTORATION FUND, ESTABLISHED UNDER §~~  
 37 ~~9-1605.2 OF THIS ARTICLE;~~

1 ~~(V) THE CHESAPEAKE AND ATLANTIC COASTAL BAYS~~  
2 ~~NONPOINT SOURCE FUND, ESTABLISHED UNDER § 9-1605.3 OF THIS ARTICLE; OR~~

3 ~~(VI) THE CHESAPEAKE AND ATLANTIC COASTAL BAYS 2010~~  
4 ~~TRUST FUND, ESTABLISHED UNDER § 8-2A-02 OF THE NATURAL RESOURCES~~  
5 ~~ARTICLE.~~

6 (5) (I) IF THE DEPARTMENT DETERMINES THAT THE FUNDING IN  
7 THE FINANCIAL ASSURANCE PLAN FILED ON OR BEFORE JULY 1, 2016, IS  
8 INSUFFICIENT TO MEET, FOR THE 2-YEAR PERIOD IMMEDIATELY FOLLOWING THE  
9 FILING DATE OF THE FINANCIAL ASSURANCE PLAN, 75% OF THE PROJECTED COSTS  
10 OF COMPLIANCE WITH THE IMPERVIOUS SURFACE RESTORATION PLAN  
11 REQUIREMENTS OF THE COUNTY OR MUNICIPALITY UNDER ITS NATIONAL  
12 POLLUTANT DISCHARGE ELIMINATION SYSTEM PHASE I MUNICIPAL SEPARATE  
13 STORM SEWER SYSTEM PERMIT, THE DEPARTMENT SHALL ISSUE A WARNING TO THE  
14 COUNTY OR MUNICIPALITY AND ENGAGE WITH THE COUNTY OR MUNICIPALITY ON  
15 THE DEVELOPMENT OF A PLAN FOR MEETING THE PROJECTED COSTS OF  
16 COMPLIANCE.

17 (II) 1. IF THE DEPARTMENT DETERMINES THAT THE  
18 FUNDING IN THE SECOND OR SUBSEQUENT FINANCIAL ASSURANCE PLAN IS  
19 INSUFFICIENT TO MEET, FOR THE 2-YEAR PERIOD IMMEDIATELY FOLLOWING THE  
20 FILING DATE OF THE FINANCIAL ASSURANCE PLAN, 100% OF THE PROJECTED COSTS  
21 OF COMPLIANCE WITH THE IMPERVIOUS SURFACE RESTORATION PLAN  
22 REQUIREMENTS OF THE COUNTY OR MUNICIPALITY UNDER ITS NATIONAL  
23 POLLUTANT DISCHARGE ELIMINATION SYSTEM PHASE I MUNICIPAL SEPARATE  
24 STORM SEWER SYSTEM PERMIT, IN ADDITION TO ANY OTHER REMEDY AVAILABLE AT  
25 LAW OR IN EQUITY THE DEPARTMENT SHALL IMPOSE AN ADMINISTRATIVE PENALTY  
26 OF:

27 A. FOR A FIRST OFFENSE, UP TO \$5,000 FOR EACH DAY  
28 UNTIL THE FUNDING IN THE FINANCIAL ASSURANCE PLAN IS DETERMINED TO BE  
29 SUFFICIENT IN ACCORDANCE WITH SUBSECTION (J)(4)(III) OF THIS SUBSECTION;  
30 AND

31 B. FOR A SECOND AND SUBSEQUENT OFFENSE, UP TO  
32 \$10,000 FOR EACH DAY UNTIL THE FUNDING IN THE FINANCIAL ASSURANCE PLAN IS  
33 DETERMINED TO BE SUFFICIENT IN ACCORDANCE WITH SUBSECTION (J)(4)(III) OF  
34 THIS SUBSECTION.

35 2. ANY PENALTY COLLECTED BY THE DEPARTMENT  
36 FROM A COUNTY OR MUNICIPALITY UNDER THIS SUBPARAGRAPH SHALL BE PAID  
37 INTO AN ESCROW ACCOUNT TO BE USED BY THE COUNTY OR MUNICIPALITY FOR

1 STORMWATER MANAGEMENT PROJECTS PENDING A DETERMINATION BY THE  
 2 DEPARTMENT THAT FUNDING IN THE FINANCIAL ASSURANCE PLAN IS SUFFICIENT.

3 (6) A FINANCIAL ASSURANCE PLAN REQUIRED UNDER THIS  
 4 SUBSECTION SHALL BE MADE PUBLICLY AVAILABLE ON THE DEPARTMENT'S WEB  
 5 SITE WITHIN 14 DAYS AFTER THE COUNTY OR MUNICIPALITY FILED THE FINANCIAL  
 6 ASSURANCE PLAN WITH THE DEPARTMENT.

7 ~~(3)~~ (7) BEGINNING SEPTEMBER 1, 2016, AND EVERY YEAR  
 8 THEREAFTER, THE DEPARTMENT SHALL SUBMIT A REPORT EVALUATING THE  
 9 COMPLIANCE OF COUNTIES AND MUNICIPALITIES WITH THE REQUIREMENTS OF  
 10 THIS SECTION TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE  
 11 STATE GOVERNMENT ARTICLE, THE SENATE EDUCATION, HEALTH, AND  
 12 ENVIRONMENTAL AFFAIRS COMMITTEE AND THE HOUSE ENVIRONMENT AND  
 13 TRANSPORTATION COMMITTEE.

14 [(j)] (k) (1) [A] IF A COUNTY OR MUNICIPALITY ESTABLISHES A  
 15 STORMWATER REMEDIATION FEE UNDER THIS SECTION, THE county or municipality  
 16 shall establish a program to exempt from the requirements of this section ~~a~~ ANY property  
 17 able to demonstrate substantial financial hardship as a result of the stormwater  
 18 remediation fee.

19 (2) A county or municipality may establish a separate hardship exemption  
 20 program or include a hardship exemption as part of a system of offsets established under  
 21 subsection (f)(1) of this section.

22 (3) (i) A COUNTY OR MUNICIPALITY SHALL AUTHORIZE A  
 23 CHARITABLE NONPROFIT GROUP OR ORGANIZATION THAT IS EXEMPT FROM  
 24 TAXATION UNDER § 501(C)(3) OR (D) OF THE INTERNAL REVENUE CODE AND CAN  
 25 DEMONSTRATE SUBSTANTIAL FINANCIAL HARDSHIP TO IMPLEMENT AN ALTERNATE  
 26 COMPLIANCE PLAN IN LIEU OF PAYING A STORMWATER REMEDIATION FEE FOR  
 27 PROPERTY OWNED BY THE GROUP OR ORGANIZATION.

28 (ii) ~~THE 1.~~ SUBJECT TO SUBSUBPARAGRAPH 2 OF THIS  
 29 SUBPARAGRAPH, THE DEPARTMENT SHALL MAY ADOPT REGULATIONS TO  
 30 ESTABLISH THE ALTERNATE COMPLIANCE PLAN AUTHORIZED UNDER  
 31 SUBPARAGRAPH (I) OF THIS PARAGRAPH.

32 2. THE REGULATIONS ADOPTED BY THE DEPARTMENT  
 33 UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH DO NOT APPLY IN A COUNTY  
 34 THAT HAS IMPLEMENTED AN ALTERNATE COMPLIANCE PROGRAM BEFORE JULY 1,  
 35 2015.



1            [(k)] (L)        The Department may adopt regulations to implement and enforce this  
2 section.

3 4-204.

4            (d)    (1)    Each governing body of a county or municipality may adopt a system of  
5 charges to fund the implementation of stormwater management programs, including the  
6 following:

7                            (i)    Reviewing stormwater management plans;

8                            (ii)   Inspection and enforcement activities;

9                            (iii)   Watershed planning;

10                           (iv)   Planning, design, land acquisition, and construction of  
11 stormwater management systems and structures;

12                           (v)    Retrofitting developed areas for pollution control;

13                           (vi)   Water quality monitoring and water quality programs;

14                           (vii)   Operation and maintenance of facilities; and

15                           (viii) Program development of these activities.

16                           (2)    The charges shall take effect upon enactment by the local governing  
17 body.

18                           (3)    The charges may be collected in the same manner as county and  
19 municipal property taxes, have the same priority, and bear the same interest and penalties.

20                           (4)    THE CHARGES SHALL BE ASSESSED IN A MANNER CONSISTENT  
21 WITH § 4-202.1(E)(3) AND (F) OF THIS SUBTITLE.

22                           (E)    (1)    THIS SUBSECTION APPLIES TO A SYSTEM OF CHARGES  
23 ESTABLISHED BY MONTGOMERY COUNTY UNDER SUBSECTION (D) OF THIS  
24 SECTION.

25                           (2)    EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION,  
26 THE COUNTY MAY NOT IMPOSE THE CHARGE ESTABLISHED UNDER THIS SECTION ON  
27 A VETERANS' ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(4)  
28 OR (19) OF THE INTERNAL REVENUE CODE ~~OR~~, A REGULARLY ORGANIZED  
29 VOLUNTEER FIRE DEPARTMENT THAT IS USED FOR PUBLIC PURPOSES, OR ON  
30 ROADS, NOT INCLUDING PARKING AREAS, THAT ARE OWNED BY A HOMEOWNERS  
31 ASSOCIATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(4) OF THE

1 INTERNAL REVENUE CODE IF THE ROADS QUALIFY FOR A STATE OR COUNTY  
2 ROADWAY MAINTENANCE REIMBURSEMENT FUND.

3 (3) PROPERTY OWNED BY THE STATE OR A UNIT OF STATE  
4 GOVERNMENT IN THE COUNTY MAY BE CHARGED UNDER THE SYSTEM OF CHARGES  
5 ADOPTED BY THE COUNTY UNDER THIS SECTION IF:

6 (I) THE STATE OR A UNIT OF STATE GOVERNMENT AND THE  
7 COUNTY AGREE TO THE COLLECTION OF THE CHARGE FROM THE STATE OR A UNIT  
8 OF STATE GOVERNMENT THAT IS BASED ON THE SHARE OF STORMWATER  
9 MANAGEMENT SERVICES RELATED TO ~~STATE~~ PROPERTY OF THE STATE OR A UNIT  
10 OF STATE GOVERNMENT LOCATED WITHIN THE COUNTY;

11 (II) THE COUNTY AGREES TO APPROPRIATE INTO ITS OWN  
12 LOCAL WATERSHED PROTECTION AND RESTORATION FUND, ON AN ANNUAL BASIS,  
13 AN AMOUNT OF MONEY THAT IS BASED ON THE SHARE OF STORMWATER  
14 MANAGEMENT SERVICES RELATED TO COUNTY PROPERTY ON AN ANNUAL BASIS;  
15 AND

16 (III) THE COUNTY DEMONSTRATES TO THE ~~DEPARTMENT'S~~  
17 SATISFACTION OF THE STATE OR A UNIT OF STATE GOVERNMENT THAT THE CHARGE  
18 COLLECTED UNDER ITEM (I) OF THIS PARAGRAPH AND THE MONEY APPROPRIATED  
19 UNDER ITEM (II) OF THIS PARAGRAPH WERE DEPOSITED INTO THE COUNTY'S LOCAL  
20 WATERSHED PROTECTION AND RESTORATION FUND.

21 (4) (I) THE COUNTY MAY ESTABLISH A PROGRAM TO EXEMPT  
22 FROM THE SYSTEM OF CHARGES ADOPTED UNDER THIS SECTION A PROPERTY  
23 WHOSE OWNER IS ABLE TO DEMONSTRATE SUBSTANTIAL FINANCIAL HARDSHIP.

24 (II) THE COUNTY MAY ESTABLISH A SEPARATE HARDSHIP  
25 EXEMPTION PROGRAM OR INCLUDE A HARDSHIP EXEMPTION AS PART OF A SYSTEM  
26 OF OFFSETS TO ACCOUNT FOR ON-SITE AND OFF-SITE SYSTEMS, FACILITIES,  
27 SERVICES, OR ACTIVITIES THAT REDUCE THE QUANTITY OR IMPROVE THE QUALITY  
28 OF STORM WATER DISCHARGED FROM THE PROPERTY.

29 (5) THE COUNTY MAY IMPOSE THE CHARGE ESTABLISHED UNDER  
30 THIS SECTION ON PROPERTY OWNED BY A VETERANS' ORGANIZATION THAT IS  
31 EXEMPT FROM TAXATION UNDER § 501(C)(4) OR (19) OF THE INTERNAL REVENUE  
32 CODE OR A REGULARLY ORGANIZED VOLUNTEER FIRE DEPARTMENT IF:

33 (I) THE COUNTY DETERMINES THAT THE CREATION OF A  
34 NONDISCRIMINATORY PROGRAM FOR APPLYING THE CHARGE TO FEDERAL  
35 PROPERTIES UNDER THE FEDERAL FACILITIES POLLUTION CONTROL SECTION OF

1 THE CLEAN WATER ACT IS NECESSARY IN ORDER FOR THE COUNTY TO RECEIVE  
 2 FEDERAL FUNDING FOR STORMWATER REMEDIATION; AND

3 (II) A VETERANS' ORGANIZATION THAT IS EXEMPT FROM  
 4 TAXATION UNDER § 501(C)(4) OR (19) OF THE INTERNAL REVENUE CODE AND A  
 5 REGULARLY ORGANIZED VOLUNTEER FIRE DEPARTMENT THAT IS USED FOR PUBLIC  
 6 PURPOSES ARE PROVIDED WITH THE OPPORTUNITY TO APPLY FOR AN ALTERNATE  
 7 COMPLIANCE PLAN ESTABLISHED UNDER § 4-202.1(K)(3) OF THIS SUBTITLE  
 8 INSTEAD OF PAYING A CHARGE IMPOSED BY THE COUNTY UNDER ITEM (I) OF THIS  
 9 PARAGRAPH.

10 9-1601.

11 (a) Unless the context clearly requires otherwise, in this subtitle the following  
 12 words have the meanings indicated.

13 (ee) (1) "Person" means an individual, corporation, partnership, association,  
 14 NONPROFIT ENTITY, the State, any unit of the State, commission, special taxing district,  
 15 or the federal government.

16 (ii) (1) "Wastewater facility" means any equipment, plant, treatment works,  
 17 structure, machinery, apparatus, interest in land, or any combination of these, which is  
 18 acquired, used, constructed, or operated [for]:

19 (I) FOR the storage, collection, treatment, neutralization,  
 20 stabilization, reduction, recycling, reclamation, separation, or disposal of wastewater[.];

21 (II) TO IMPROVE WATER CONSERVATION, REDUCE ENERGY  
 22 CONSUMPTION, OR INCREASE SECURITY; or [for]

23 (III) FOR the final disposal of residues resulting from the treatment of  
 24 wastewater[, including:].

25 (2) "WASTEWATER FACILITY" INCLUDES:

26 (I) [treatment] TREATMENT or disposal plants; outfall sewers,  
 27 interceptor sewers, and collector sewers; pumping and ventilating stations, facilities, and  
 28 works; [programs and projects for controlling nonpoint sources of water pollution and for  
 29 estuarine conservation and management;] and other real or personal property and  
 30 appurtenances incident to their development, use, or operation;

31 (II) ANY PROGRAMS AND PROJECTS FOR MANAGING, REDUCING,  
 32 TREATING, RECAPTURING, ABATING, OR CONTROLLING NONPOINT SOURCES OF

1 WATER POLLUTION, INCLUDING STORMWATER OR SUBSURFACE DRAINAGE WATER;  
 2 AND

3 (III) ANY PROGRAMS AND PROJECTS FOR IMPROVING  
 4 ESTUARINE CONSERVATION AND MANAGEMENT.

5 9-1605.

6 (a) (1) There is a Maryland Water Quality Revolving Loan Fund. The Water  
 7 Quality Fund shall be maintained and administered by the Administration in accordance  
 8 with the provisions of this subtitle and such rules or program directives as the Secretary or  
 9 the Board may from time to time prescribe.

10 (d) Amounts in the Water Quality Fund may be used only:

11 (1) To make loans, on the condition that:

12 (i) The loans are made at or below market interest rates, including  
 13 interest free loans, at terms not to exceed [20 years] THE LESSER OF 30 YEARS OR THE  
 14 PROJECTED USEFUL LIFE OF THE PROJECT;

15 (ii) Annual principal and interest payments will commence not later  
 16 than 1 year after completion of any wastewater facility and all loans will be fully amortized  
 17 [not later than 20 years after project completion] ON THE EXPIRATION OF THE TERM OF  
 18 THE LOAN;

19 (iii) The local government borrower will establish a dedicated source  
 20 of revenue for repayment of loans;

21 (iv) In the case of a wastewater facility owned by a borrower other  
 22 than a local government, the borrower will provide adequate security for repayment of loans;  
 23 and

24 (v) The Water Quality Fund will be credited with all payments of  
 25 principal and interest on all loans;

26 Article – Natural Resources

27 8-2A-02.

28 (a) There is a Chesapeake and Atlantic Coastal Bays 2010 Trust Fund.

29 (f) (1) The Fund may be used only for the implementation of nonpoint source  
 30 pollution control projects to achieve the State's tributary strategy developed in accordance  
 31 with the Chesapeake 2000 Agreement and to improve the health of the Atlantic Coastal Bays  
 32 and their tributaries.



1 C. For costs identified under subsection (h)(2)(i)1 of this  
2 section; and

3 D. With respect to a local government that has enacted and  
4 implemented a system of charges under § 4-204 of this article to fully fund the  
5 implementation of a stormwater management program, for grants to the local government  
6 for a portion of the costs of the most cost-effective and efficient stormwater control  
7 measures, as determined and approved by the Department, from the restoration fees  
8 collected annually by the Comptroller from users of wastewater facilities under this section;

9 (iii) As a source of revenue or security for the payment of principal  
10 and interest on bonds issued by the Administration if the proceeds of the sale of the bonds  
11 will be deposited in the Bay Restoration Fund;

12 (iv) To earn interest on Bay Restoration Fund accounts;

13 (v) For the reasonable costs of administering the Bay Restoration  
14 Fund, which may not exceed 1.5% of the total restoration fees imposed on users of  
15 wastewater facilities that are collected by the Comptroller annually;

16 (vi) For the reasonable administrative costs incurred by a local  
17 government or a billing authority for a water or wastewater facility collecting the  
18 restoration fees, in an amount not to exceed 5% of the total restoration fees collected by  
19 that local government or billing authority;

20 (vii) For future upgrades of wastewater facilities to achieve additional  
21 nutrient removal or water quality improvement, in accordance with paragraphs (6) and (7)  
22 of this subsection;

23 (viii) For costs associated with the issuance of bonds; [and]

24 (ix) Subject to the allocation of funds and the conditions under  
25 subsection (h) of this section, for projects related to the removal of nitrogen from on-site  
26 sewage disposal systems and cover crop activities; AND

27 **(X) FOR COSTS ASSOCIATED WITH THE IMPLEMENTATION OF**  
28 **ALTERNATE COMPLIANCE PLANS AUTHORIZED IN § 4-202.1(K)(3) OF THIS ARTICLE.**

29 ~~SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read~~  
30 ~~as follows:~~

31 ~~**Article—Environment**~~

32 ~~9-1605.2.~~

33 ~~(i) (2) Funds in the Bay Restoration Fund shall be used only:~~

1           (i) ~~To award grants for up to 100% of eligible costs of projects~~  
2 ~~relating to planning, design, construction, and upgrade of a wastewater facility for flows up~~  
3 ~~to the design capacity of the wastewater facility, as approved by the Department, to achieve~~  
4 ~~enhanced nutrient removal in accordance with paragraph (3) of this subsection;~~

5           (ii) ~~1. In fiscal years 2005 through 2009, inclusive, for a portion~~  
6 ~~of the costs of projects relating to combined sewer overflows abatement, rehabilitation of~~  
7 ~~existing sewers, and upgrading conveyance systems, including pumping stations, not to~~  
8 ~~exceed an annual total of \$5,000,000;~~

9           ~~2. In fiscal years 2010 and thereafter, for a portion of the~~  
10 ~~operation and maintenance costs related to the enhanced nutrient removal technology,~~  
11 ~~which may not exceed 10% of the total restoration fee collected from users of wastewater~~  
12 ~~facilities under this section by the Comptroller annually;~~

13           ~~3. In fiscal years 2018 and thereafter, after payment of~~  
14 ~~outstanding bonds and the allocation of funds to other required uses of the Bay Restoration~~  
15 ~~Fund for funding in the following order of priority:~~

16           A. ~~For funding an upgrade of a wastewater facility to~~  
17 ~~enhanced nutrient removal at wastewater facilities with a design capacity of 500,000~~  
18 ~~gallons or more per day;~~

19           B. ~~For funding for the most cost effective enhanced nutrient~~  
20 ~~removal upgrades at wastewater facilities with a design capacity of less than 500,000~~  
21 ~~gallons per day;~~

22           C. ~~For costs identified under subsection (h)(2)(i)1 of this~~  
23 ~~section; and~~

24           D. ~~With respect to a local government that has enacted and~~  
25 ~~implemented a system of charges under § 4-204 of this article to fully fund the~~  
26 ~~implementation of a stormwater management program, for grants to the local government~~  
27 ~~for a portion of the costs of the most cost effective and efficient stormwater control~~  
28 ~~measures, as determined and approved by the Department, from the restoration fees~~  
29 ~~collected annually by the Comptroller from users of wastewater facilities under this section;~~

30           (iii) ~~As a source of revenue or security for the payment of principal~~  
31 ~~and interest on bonds issued by the Administration if the proceeds of the sale of the bonds~~  
32 ~~will be deposited in the Bay Restoration Fund;~~

33           (iv) ~~To earn interest on Bay Restoration Fund accounts;~~

34           (v) ~~For the reasonable costs of administering the Bay Restoration~~  
35 ~~Fund, which may not exceed 1.5% of the total restoration fees imposed on users of~~  
36 ~~wastewater facilities that are collected by the Comptroller annually;~~

~~(vi) For the reasonable administrative costs incurred by a local government or a billing authority for a water or wastewater facility collecting the restoration fees, in an amount not to exceed 5% of the total restoration fees collected by that local government or billing authority;~~

~~(vii) For future upgrades of wastewater facilities to achieve additional nutrient removal or water quality improvement, in accordance with paragraphs (6) and (7) of this subsection;~~

~~(viii) For costs associated with the issuance of bonds; [and]~~

~~(ix) Subject to the allocation of funds and the conditions under subsection (h) of this section, for projects related to the removal of nitrogen from on-site sewage disposal systems and cover crop activities; AND~~

~~(x) FOR COSTS ASSOCIATED WITH THE IMPLEMENTATION OF ALTERNATE COMPLIANCE PLANS AUTHORIZED IN § 4-202.1(K)(3) OF THIS ARTICLE.~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect on the taking effect of the termination provision specified in Section 2 of Chapter 150 of the Acts of the General Assembly of 2012. If that termination provision takes effect, Section 2 of this Act shall be abrogated and of no further force and effect. This Act may not be interpreted to have any effect on that termination provision.~~

*SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31, 2015, a county that owns property located within a municipality that has adopted a system of charges under § 4-204 of the Environment Article shall enter into a memorandum of understanding with the municipality and mutually agree on an amount to be paid by the county to the municipality to defray the municipality's costs of providing stormwater pollution control services to county property.*

*SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 31, 2015, a municipality that owns property located within a county that has adopted a system of charges under § 4-204 of the Environment Article shall enter into a memorandum of understanding with the county and mutually agree on an amount to be paid by the municipality to defray the county's costs of providing stormwater pollution control services to municipality property.*

*SECTION 4. AND BE IT FURTHER ENACTED, That this Act may not be construed to diminish, modify, or affect any county's or municipality's responsibility to comply with all terms and conditions of its national pollutant discharge elimination system Phase I municipal separate storm sewer system permit.*

~~SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 4 of this Act, this Act shall take effect July 1, 2015.~~



Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.