

# HOUSE BILL 384

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7lr1308  
CF SB 343

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By: **Delegates Adams, Anderton, Arentz, Carozza, Jacobs, ~~and Otto Otto, and~~  
~~Mautz~~ Mautz, Cassilly, Flanagan, Folden, Jalisi, Lafferty, and McMillan**

Introduced and read first time: January 25, 2017

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 2, 2017

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

1 AN ACT concerning

2 **Bay Restoration Fund – Eligible Costs – Expansion**

3 FOR the purpose of altering the definition of “eligible costs” as it relates to projects that  
4 receive funding from the Bay Restoration Fund to include any wastewater facility  
5 upgrade to enhanced nutrient removal, as determined by the Department of the  
6 Environment; making conforming changes; and generally relating to the Bay  
7 Restoration Fund.

8 BY repealing and reenacting, with amendments,  
9 Article – Environment  
10 Section 9–1605.2(i)(1)  
11 Annotated Code of Maryland  
12 (2014 Replacement Volume and 2016 Supplement)

13 BY repealing and reenacting, without amendments,  
14 Article – Environment  
15 Section 9–1605.2(i)(2)  
16 Annotated Code of Maryland  
17 (2014 Replacement Volume and 2016 Supplement)

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

20 **Article – Environment**

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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.



1 9-1605.2.

2 (i) (1) In this subsection, “eligible costs” means the additional costs that would  
3 be attributable to upgrading a wastewater facility [from biological nutrient removal] to  
4 enhanced nutrient removal, as determined by the Department.

5 (2) Funds in the Bay Restoration Fund shall be used only:

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

10 (ii) In fiscal years 2016 and thereafter, for up to 87.5% of the total  
11 cost of projects, as approved by the Department, relating to combined sewer overflows  
12 abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including  
13 pumping stations;

14 (iii) In fiscal years 2010 and thereafter, for a portion of the operation  
15 and maintenance costs related to the enhanced nutrient removal technology, which may  
16 not exceed 10% of the total restoration fee collected from users of wastewater facilities  
17 under this section by the Comptroller annually;

18 (iv) In fiscal years 2018 and thereafter, after payment of outstanding  
19 bonds and the allocation of funds to other required uses of the Bay Restoration Fund for  
20 funding in the following order of priority:

21 1. For funding ~~on~~ **THE ELIGIBLE COSTS TO** upgrade ~~of~~ a  
22 wastewater facility to enhanced nutrient removal at wastewater facilities with a design  
23 capacity of 500,000 gallons or more per day;

24 2. For funding ~~for~~ **THE ELIGIBLE COSTS OF** the most  
25 cost-effective enhanced nutrient removal upgrades at wastewater facilities with a design  
26 capacity of less than 500,000 gallons per day; and

27 3. As determined by the Department and based on water  
28 quality and public health benefits, for the following:

29 A. For costs identified under item (ii) of this paragraph;

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

32 C. With respect to a local government that has enacted and  
33 implemented a system of charges to fully fund the implementation of a stormwater  
34 management program, for grants to the local government for a portion of the costs of the

1 most cost-effective and efficient stormwater control measures, as determined and approved  
2 by the Department, from the restoration fees collected annually by the Comptroller from  
3 users of wastewater facilities under this section;

4 (v) As a source of revenue or security for the payment of principal  
5 and interest on bonds issued by the Administration if the proceeds of the sale of the bonds  
6 will be deposited in the Bay Restoration Fund;

7 (vi) To earn interest on Bay Restoration Fund accounts;

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

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

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

18 (x) For costs associated with the issuance of bonds;

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

22 (xii) For costs associated with the implementation of alternate  
23 compliance plans authorized in § 4-202.1(k)(3) of this article.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 ~~October~~ July 1, 2017.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.