

HOUSE BILL 537

M3

7lr0308

By: **Delegates Parrott, Kittleman, Krebs, Mautz, McComas, and Morgan**

Introduced and read first time: January 30, 2017

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – On–Site Sewage Disposal Systems and Funding for Wastewater**
3 **Treatment Facilities and Sewerage Systems**

4 FOR the purpose of authorizing a person to install or have installed an on–site sewage
5 disposal system that does not utilize certain nitrogen removal technology to service
6 a newly constructed building on property that a person owns in the State that is
7 located outside the Chesapeake and Atlantic Coastal Bays Critical Area; authorizing
8 a person to replace or have replaced an existing on–site sewage disposal system with
9 a system that does not utilize certain nitrogen removal technology on property that
10 a person owns in the State that is located outside the Chesapeake and Atlantic
11 Coastal Bays Critical Area; requiring the Department of the Environment or a
12 certain local approving authority to impose a certain fee on a certain on–site sewage
13 disposal system in a certain manner; prohibiting the imposition of a certain fee on a
14 certain on–site sewage disposal system that will be installed on property owned or
15 operated by a nonprofit organization; requiring certain revenue to be distributed to
16 the Water Pollution Control Fund; authorizing the Board of Public Works to award
17 financial assistance from certain revenue distributed to the Water Pollution Control
18 Fund for certain projects relating to wastewater treatment facilities and sewerage
19 systems; prohibiting certain regulations from requiring a new or replacement
20 on–site sewage disposal system to utilize certain nitrogen removal technology if the
21 system is on property that a person owns in the State that is located outside the
22 Chesapeake and Atlantic Coastal Bays Critical Area; and generally relating to
23 on–site sewage disposal systems and funding for wastewater treatment facilities and
24 sewerage systems.

25 BY repealing and reenacting, without amendments,
26 Article – Environment
27 Section 9–301(a) and (g) and 9–1108(a)
28 Annotated Code of Maryland
29 (2014 Replacement Volume and 2016 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Environment
3 Section 9–345 and 9–1108(b) and (e)
4 Annotated Code of Maryland
5 (2014 Replacement Volume and 2016 Supplement)

6 Preamble

7 WHEREAS, In order to meet the U.S. Environmental Protection Agency’s Chesapeake
8 Bay Total Maximum Daily Load, the State of Maryland must reduce nitrogen loads to the
9 Chesapeake Bay by 22% below 2010 levels by 2025; and

10 WHEREAS, According to the Chesapeake Bay Program, in 2015, septic systems in
11 Maryland contributed approximately 6% of the State’s total nitrogen load to the
12 Chesapeake Bay; and

13 WHEREAS, In 2015, wastewater and combined sewer overflow in Maryland
14 contributed approximately 24% of the State’s total nitrogen load to the Chesapeake Bay;
15 and

16 WHEREAS, Investing in projects to reduce nitrogen loads from wastewater and
17 combined sewer overflow, rather than septic systems, will yield more significant nitrogen
18 reductions for Maryland; now, therefore,

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

21 **Article – Environment**

22 9–301.

23 (a) In this subtitle the following words have the meanings indicated.

24 (g) (1) “Sewerage system” means:

25 (i) The channels used or intended to be used to collect and dispose
26 of sewage; and

27 (ii) Any structure and appurtenance used or intended to be used to
28 collect or prepare sewage for discharge into the waters of this State.

29 (2) “Sewerage system” includes any sewer of any size.

30 (3) “Sewerage system” does not include the plumbing system inside any
31 building served by the sewerage system.

32 9–345.

1 (a) There is a Water Pollution Control Fund [consisting] **THAT CONSISTS** of
2 **[money]:**

3 (1) **MONEY** made available **TO THE FUND** under water quality loan
4 authorizations [or by funds];

5 (2) **MONEY** appropriated in the State budget **TO THE FUND; AND**

6 (3) **REVENUE DISTRIBUTED TO THE FUND UNDER § 9-1108 OF THIS**
7 **TITLE.**

8 (b) (1) The Board of Public Works, upon the recommendation of the Secretary,
9 may award financial assistance **FROM MONEY MADE AVAILABLE TO THE FUND UNDER**
10 **WATER QUALITY LOAN AUTHORIZATIONS AND MONEY APPROPRIATED IN THE STATE**
11 **BUDGET TO THE FUND** for the following types of projects:

12 [(1)] (I) Construction of sewerage systems under §§ 9-347 and 9-348 of
13 this subtitle;

14 [(2)] (II) Industrial user pretreatment projects under § 9-349 of this
15 subtitle;

16 [(3)] (III) Best management practices to control or prevent agriculturally
17 related nonpoint source pollution under § 9-350 of this subtitle and Title 8, Subtitle 7 of
18 the Agriculture Article; and

19 [(4)] (IV) Practices to reduce pollution from stormwater runoff in existing
20 urbanized areas under § 9-350 of this subtitle.

21 (2) **THE BOARD OF PUBLIC WORKS, ON THE RECOMMENDATION OF**
22 **THE SECRETARY, MAY AWARD FINANCIAL ASSISTANCE FROM REVENUE**
23 **DISTRIBUTED TO THE FUND UNDER § 9-1108 OF THIS TITLE FOR:**

24 (I) **PROJECTS TO CONSTRUCT OR UPGRADE WASTEWATER**
25 **TREATMENT FACILITIES;**

26 (II) **REIMBURSEMENT FOR COSTS INCURRED BY A COUNTY OR**
27 **MUNICIPALITY FOR PROJECTS TO CONSTRUCT OR UPGRADE WASTEWATER**
28 **TREATMENT FACILITIES; AND**

29 (III) **PROJECTS TO REDUCE INFLOW AND INFILTRATION TO A**
30 **SEWERAGE SYSTEM, INCLUDING PROJECTS TO REPLACE OR COAT SEWAGE PIPES.**

1 (c) (1) The Secretary, with the approval of the Board of Public Works, shall
2 adopt rules and regulations that establish application procedures and criteria for the award
3 of financial assistance under this subtitle. The criteria shall provide the basis for project
4 priority rankings and shall include, as appropriate:

5 (i) The water quality or public health impacts caused by existing
6 circumstances;

7 (ii) Previous efforts expended to correct any existing problem;

8 (iii) Financial capacity of the applicant;

9 (iv) The problem prevention aspects of a proposed project;

10 (v) Cost effectiveness of a proposed project;

11 (vi) Planning requirements;

12 (vii) Provisions for monitoring and review; and

13 (viii) Measures to assure accountability for all funds awarded under
14 this subtitle.

15 (2) Project priority systems shall be established. Prior to adopting rules
16 and regulations and establishing project priority rankings under this section, the Secretary
17 shall consult with the Secretaries of Natural Resources, Agriculture, and Commerce and
18 the Secretary of the Department of Planning.

19 (d) For financial assistance over \$500,000 awarded under the Fund, the applicant
20 shall demonstrate, to the satisfaction of the Department, that steps were taken to include
21 small business enterprises, minority business enterprises, and women's business
22 enterprises by:

23 (1) Placing qualified small business enterprises, minority business
24 enterprises, and women's business enterprises on solicitation lists;

25 (2) Assuring that small business enterprises, minority business
26 enterprises, and women's business enterprises are solicited whenever they are potential
27 sources;

28 (3) Dividing total requirements, when economically feasible, into small
29 tasks or quantities to permit maximum participation of small business enterprises,
30 minority business enterprises, and women's business enterprises;

31 (4) Establishing delivery schedules, where the requirement permits, that
32 encourage participation by small business enterprises, minority business enterprises, and
33 women's business enterprises; and

1 (5) Using the services and assistance of the Maryland Department of
2 Transportation and the Governor's Office of Minority Affairs in identifying and soliciting
3 small business enterprises, minority business enterprises, and women's business
4 enterprises.

5 (e) If the steps required under subsection (d) of this section are not demonstrated
6 to the satisfaction of the Department, the Department may withhold financial assistance
7 for the project.

8 9-1108.

9 (a) (1) In this section the following words have the meanings indicated.

10 (2) "Nitrogen removal technology" means the best available technology for
11 the removal of nitrogen.

12 (3) "On-site sewage disposal system" means a sewage treatment unit,
13 collection system, disposal area, and related appurtenances.

14 (b) (1) A person may not:

15 [(1)] (I) Install, or have installed, on property a person owns in the State
16 in the Chesapeake and Atlantic Coastal Bays Critical Area, an on-site sewage disposal
17 system to service a newly constructed building, unless the on-site sewage disposal system
18 utilizes nitrogen removal technology; or

19 [(2)] (II) Replace or have replaced, an existing on-site sewage disposal
20 system on property a person owns in the State in the Chesapeake and Atlantic Coastal
21 Bays Critical Area, unless the replacement on-site sewage disposal system utilizes
22 nitrogen removal technology.

23 (2) **SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A PERSON**
24 **MAY:**

25 (I) **INSTALL, OR HAVE INSTALLED, ON PROPERTY A PERSON**
26 **OWNS IN THE STATE LOCATED OUTSIDE THE CHESAPEAKE AND ATLANTIC COASTAL**
27 **BAYS CRITICAL AREA AN ON-SITE SEWAGE DISPOSAL SYSTEM THAT DOES NOT**
28 **UTILIZE NITROGEN REMOVAL TECHNOLOGY TO SERVICE A NEWLY CONSTRUCTED**
29 **BUILDING; OR**

30 (II) **REPLACE, OR HAVE REPLACED, AN EXISTING ON-SITE**
31 **SEWAGE DISPOSAL SYSTEM ON PROPERTY A PERSON OWNS IN THE STATE LOCATED**
32 **OUTSIDE THE CHESAPEAKE AND ATLANTIC COASTAL BAYS CRITICAL AREA WITH A**
33 **SYSTEM THAT DOES NOT UTILIZE NITROGEN REMOVAL TECHNOLOGY.**

1 **(3) (I) THE DEPARTMENT OR THE LOCAL APPROVING AUTHORITY**
2 **SHALL IMPOSE A FEE ON AN ON-SITE SEWAGE DISPOSAL SYSTEM AUTHORIZED**
3 **UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION AT THE TIME THE INSTALLATION OF**
4 **THE ON-SITE SEWAGE DISPOSAL SYSTEM IS APPROVED.**

5 **(II) THE FEE REQUIRED UNDER THIS PARAGRAPH IS:**

6 **1. FOR AN ON-SITE SEWAGE DISPOSAL SYSTEM**
7 **APPROVED FOR A RESIDENTIAL SITE, \$200; AND**

8 **2. FOR AN ON-SITE SEWAGE DISPOSAL SYSTEM**
9 **APPROVED FOR A NONRESIDENTIAL SITE, \$100 PER 1,000 SQUARE FEET OF THE**
10 **BUILDING TO BE SERVED BY THE ON-SITE SEWAGE DISPOSAL SYSTEM.**

11 **(III) THE DEPARTMENT OR LOCAL APPROVING AUTHORITY MAY**
12 **NOT IMPOSE A FEE ON AN ON-SITE SEWAGE DISPOSAL SYSTEM THAT WILL BE**
13 **INSTALLED ON PROPERTY OWNED OR OPERATED BY A NONPROFIT ORGANIZATION.**

14 **(IV) THE REVENUE FROM THE FEE REQUIRED UNDER THIS**
15 **PARAGRAPH SHALL BE DISTRIBUTED TO THE WATER POLLUTION CONTROL FUND**
16 **ESTABLISHED UNDER § 9-345 OF THIS TITLE.**

17 (e) (1) The Department shall adopt regulations to implement this section.

18 (2) The regulations adopted in accordance with paragraph (1) of this
19 subsection shall include provisions to ensure that appropriate management measures are
20 provided for the operation and maintenance of nitrogen removal technology.

21 **(3) THE REGULATIONS ADOPTED IN ACCORDANCE WITH PARAGRAPH**
22 **(1) OF THIS SUBSECTION MAY NOT REQUIRE A NEW OR REPLACEMENT ON-SITE**
23 **SEWAGE DISPOSAL SYSTEM TO UTILIZE NITROGEN REMOVAL TECHNOLOGY IF THE**
24 **NEW OR REPLACEMENT ON-SITE SEWAGE DISPOSAL SYSTEM IS ON PROPERTY A**
25 **PERSON OWNS IN THE STATE LOCATED OUTSIDE THE CHESAPEAKE AND ATLANTIC**
26 **COASTAL BAYS CRITICAL AREA.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2017.