

# HOUSE BILL 78

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CF SB 172

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By: **Delegate C. Watson**

Introduced and read first time: January 10, 2020

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 18, 2020

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

1 AN ACT concerning

2 **Bay Restoration Fund – Authorized Uses**

3 FOR the purpose of altering the criteria for determining the use of funds in the Bay  
4 Restoration Fund for certain purposes in certain fiscal years; specifying that certain  
5 grants to certain local governments may be used for stormwater management  
6 measures that include ~~volume or quality control~~ stormwater measures relating to  
7 water quality, climate resiliency, or flood control; and generally relating to the  
8 authorized uses of the Bay Restoration Fund.

9 BY repealing and reenacting, with amendments,  
10 Article – Environment  
11 Section 9–1605.2(i)(2)  
12 Annotated Code of Maryland  
13 (2014 Replacement Volume and 2019 Supplement)

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

16 **Article – Environment**

17 9–1605.2.

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

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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.



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

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

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

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

19 2. For funding the eligible costs of the most cost-effective  
20 enhanced nutrient removal upgrades at wastewater facilities with a design capacity of less  
21 than 500,000 gallons per day; and

22 3. As determined by the Department and based on water  
23 quality, **CLIMATE RESILIENCY, FLOOD CONTROL**, and public health benefits, for the  
24 following:

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

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

28 C. With respect to a local government that has enacted and  
29 implemented a system of charges to fully fund the implementation of a stormwater  
30 management program, for grants to the local government for a portion of the costs of the  
31 most cost-effective and efficient stormwater control measures, **INCLUDING ~~VOLUME OR~~**  
32 **~~QUALITY CONTROL, STORMWATER MEASURES RELATING TO WATER QUALITY,~~**  
33 **CLIMATE RESILIENCY, OR FLOOD CONTROL**, as determined and approved by the  
34 Department, from the restoration fees collected annually by the Comptroller from users of  
35 wastewater facilities under this section;

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

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

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

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

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

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

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

19 (xii) For costs associated with the implementation of alternate  
20 compliance plans authorized in § 4–202.1(k)(3) of this article; and

21 (xiii) After funding any eligible costs identified under item (iv)1 and 2  
22 of this paragraph, for costs associated with the purchase of cost-effective nitrogen,  
23 phosphorus, or sediment load reductions in support of the State's efforts to restore the  
24 health of the Chesapeake Bay, not to exceed \$4,000,000 in fiscal year 2018, \$6,000,000 in  
25 fiscal year 2019, and \$10,000,000 per year in fiscal years 2020 and 2021.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
27 1, 2020.