

# SENATE BILL 1173

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CF HB 1512

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By: **Senator Mautz**

Introduced and read first time: February 15, 2024

Assigned to: Rules

Re-referred to: Education, Energy, and the Environment, March 9, 2024

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 21, 2024

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

1 AN ACT concerning

2 **Bay Restoration Fund – Use of Funds – Municipal Wastewater Facilities –**  
3 **Sunset Repeal**

4 FOR the purpose of repealing the termination date for certain provisions of law that expand  
5 the authorized uses of the Bay Restoration Fund to include certain costs associated  
6 with the connection of a property using an on-site sewage disposal system to a  
7 certain existing municipal wastewater facility; and generally relating to the Bay  
8 Restoration Fund.

9 BY repealing and reenacting, without amendments,  
10 Article – Environment  
11 Section 9–1605.2(h)(1), (2), and (5)  
12 Annotated Code of Maryland  
13 (2014 Replacement Volume and 2023 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Chapter 413 of the Acts of the General Assembly of 2020  
16 Section 2

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

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

6 (i) Establish a separate account within the Bay Restoration Fund;  
7 and

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

10 (2) The Comptroller shall:

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

12 1. Subject to paragraphs (3), (4), (5), and (6) of this  
13 subsection, with priority first given to failing systems and holding tanks located in the  
14 Chesapeake and Atlantic Coastal Bays Critical Area and then to failing systems that the  
15 Department determines are a threat to public health or water quality, grants or loans for  
16 up to 100% of:

17 A. The costs attributable to upgrading an on-site sewage  
18 disposal system to the best available technology for the removal of nitrogen;

19 B. The cost difference between a conventional on-site sewage  
20 disposal system and a system that utilizes the best available technology for the removal of  
21 nitrogen;

22 C. The cost of repairing or replacing a failing on-site sewage  
23 disposal system with a system that uses the best available technology for nitrogen removal;

24 D. The cost, up to the sum of the costs authorized under item  
25 B of this item for each individual system, of replacing multiple on-site sewage disposal  
26 systems located in the same community with a new community sewerage system that is  
27 owned by a local government and that meets enhanced nutrient removal standards; or

28 E. The cost, up to the sum of the costs authorized under item  
29 C of this item for each individual system, of connecting a property using an on-site sewage  
30 disposal system to an existing municipal wastewater facility that is achieving, or has signed  
31 a funding agreement with the Department and is under construction to achieve, enhanced  
32 nutrient removal or biological nutrient removal level treatment, including payment of the  
33 principal, but not interest, of debt issued by a local government for such connection costs;

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

1                   A.     Implement an education, outreach, and upgrade program  
2 to advise owners of on-site sewage disposal systems and holding tanks on the proper  
3 maintenance of the systems and tanks and the availability of grants and loans under item  
4 1 of this item;

5                   B.     Review and approve the design and construction of on-site  
6 sewage disposal system or holding tank upgrades;

7                   C.     Issue grants or loans as provided under item 1 of this item;  
8 and

9                   D.     Provide technical support for owners of upgraded on-site  
10 sewage disposal systems or holding tanks to operate and maintain the upgraded systems;

11                   3.     A portion of the reasonable costs of a local public entity  
12 that has been delegated by the Department under § 1-301(b) of this article to administer  
13 and enforce environmental laws, not to exceed 10% of the funds deposited into the separate  
14 account, to implement regulations adopted by the Department for on-site sewage disposal  
15 systems that utilize the best available technology for the removal of nitrogen;

16                   4.     Subject to paragraph (7) of this subsection, financial  
17 assistance to low-income homeowners, as defined by the Department, for up to 50% of the  
18 cost of an operation and maintenance contract of up to 5 years for an on-site sewage  
19 disposal system that utilizes nitrogen removal technology;

20                   5.     Subject to paragraph (8) of this subsection, a local  
21 jurisdiction to provide financial assistance to eligible homeowners for the reasonable cost  
22 of pumping out an on-site sewage disposal system, at least once every 5 years, unless a  
23 more frequent pump out schedule is recommended during an inspection, not to exceed 10%  
24 of the funds allocated to the local jurisdiction; and

25                   6.     In fiscal years 2020 and 2021, financial assistance to a  
26 local jurisdiction for the development of a septic stewardship plan that meets the  
27 requirements under paragraph (8)(iii)2 of this subsection; and

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

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

33                   (i)     The environmental impact of the on-site sewage disposal system  
34 is documented by the local government and confirmed by the Department;

35                   (ii)    It can be demonstrated that:

1                   1.     The replacement of the on-site sewage disposal system  
2 with service to an existing municipal wastewater facility that is achieving, or has signed a  
3 funding agreement with the Department and is under construction to achieve, enhanced  
4 nutrient removal or biological nutrient removal level treatment is more cost-effective for  
5 nitrogen removal than upgrading the individual on-site sewage disposal system; or

6                   2.     The individual replacement of the on-site sewage disposal  
7 system is not feasible;

8                   (iii)   The project is consistent with the county's comprehensive plan  
9 and water and sewer master plan;

10                  (iv)   1.     The on-site sewage disposal system was installed as of  
11 October 1, 2008, and the property the system serves is located in a priority funding area,  
12 in accordance with § 5-7B-02 of the State Finance and Procurement Article; or

13                  2.     The on-site sewage disposal system was installed as of  
14 October 1, 2008, the property the system serves is not located in a priority funding area,  
15 and the project meets the requirements under § 5-7B-06 of the State Finance and  
16 Procurement Article and is consistent with a public health area of concern:

17                  A.     Identified in the county water and sewer plan; or

18                  B.     Certified by a county environmental health director with  
19 concurrence by the Department and, if funding is approved, subsequently added to the  
20 county water and sewer plan within a time frame jointly agreed on by the Department and  
21 the county that takes into consideration the county's water and sewer plan update and  
22 amendment process; and

23                  (v)   The funding agreement for a project that meets the conditions for  
24 funding under subparagraph (iv)2 of this paragraph includes provisions to ensure:

25                  1.     Denial of access for any future connections that are not  
26 included in the project's proposed service area; and

27                  2.     That the project will not unduly impede access to funding  
28 for upgrading individual on-site sewage disposal systems in the county with best available  
29 technology for nitrogen removal.

### 30                                   **Chapter 413 of the Acts of 2020**

31                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
32 1, 2020. [It shall remain effective for a period of 4 years and, at the end of June 30, 2024,  
33 this Act, with no further action required by the General Assembly, shall be abrogated and  
34 of no further force and effect.]

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
2 1, 2024.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.