

SENATE BILL 461

M3

5lr2204

By: **Senator M. Washington**

Introduced and read first time: January 21, 2025

Assigned to: Education, Energy, and the Environment and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Maryland Water Quality Revolving Loan Fund – Renaming and**
3 **Alterations**

4 FOR the purpose of renaming the Maryland Water Quality Revolving Loan Fund to be the
5 Maryland Water Quality Improvement Revolving Loan Fund; altering the conditions
6 under which the Fund may be used to include supporting certain projects; requiring
7 the Maryland Water Infrastructure Financing Administration to include certain
8 communities and to use a certain scoring system when creating a certain intended
9 use plan; and generally relating to the Maryland Water Quality Improvement
10 Revolving Loan Fund.

11 BY repealing and reenacting, without amendments,
12 Article – Environment
13 Section 1–701(a)(1), (7), and (8)
14 Annotated Code of Maryland
15 (2013 Replacement Volume and 2024 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Environment
18 Section 5–5B–02 and 5–5B–05(b) and (c)
19 Annotated Code of Maryland
20 (2013 Replacement Volume and 2024 Supplement)

21 BY repealing and reenacting, without amendments,
22 Article – Environment
23 Section 9–1601(a)
24 Annotated Code of Maryland
25 (2014 Replacement Volume and 2024 Supplement)

26 BY repealing and reenacting, with amendments,
27 Article – Environment

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 9–1601(mm), 9–1605(a)(1) and (2), (d)(15) and (16), and (f)
2 Annotated Code of Maryland
3 (2014 Replacement Volume and 2024 Supplement)

4 BY adding to
5 Article – Environment
6 Section 9–1605(d)(17)
7 Annotated Code of Maryland
8 (2014 Replacement Volume and 2024 Supplement)

9 BY repealing and reenacting, without amendments,
10 Article – State Finance and Procurement
11 Section 5–7B–01(a)
12 Annotated Code of Maryland
13 (2021 Replacement Volume and 2024 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – State Finance and Procurement
16 Section 5–7B–01(c)(1)(iv) and 6–226(a)(2)(ii)47.
17 Annotated Code of Maryland
18 (2021 Replacement Volume and 2024 Supplement)

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 1–701.

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

24 (7) “Overburdened community” means any census tract for which three or
25 more of the following environmental health indicators are above the 75th percentile
26 statewide:

27 (i) Particulate matter (PM) 2.5;

28 (ii) Ozone;

29 (iii) National Air Toxics Assessment (NATA) diesel PM;

30 (iv) NATA cancer risk;

31 (v) NATA respiratory hazard index;

32 (vi) Traffic proximity;

- 1 (vii) Lead paint indicator;
- 2 (viii) National Priorities List Superfund site proximity;
- 3 (ix) Risk Management Plan facility proximity;
- 4 (x) Hazardous waste proximity;
- 5 (xi) Wastewater discharge indicator;
- 6 (xii) Proximity to a Concentrated Animal Feeding Operation (CAFO);
- 7 (xiii) Percent of the population lacking broadband coverage;
- 8 (xiv) Asthma emergency room discharges;
- 9 (xv) Myocardial infarction discharges;
- 10 (xvi) Low-birth-weight infants;
- 11 (xvii) Proximity to emitting power plants;
- 12 (xviii) Proximity to a Toxic Release Inventory (TRI) facility;
- 13 (xix) Proximity to a brownfields site;
- 14 (xx) Proximity to mining operations; and
- 15 (xxi) Proximity to a hazardous waste landfill.

16 (8) "Underserved community" means any census tract in which, according
17 to the most recent U.S. Census Bureau Survey:

- 18 (i) At least 25% of the residents qualify as low-income;
- 19 (ii) At least 50% of the residents identify as nonwhite; or
- 20 (iii) At least 15% of the residents have limited English proficiency.

21 5-5B-02.

22 This subtitle applies to public water systems serving at least 10,000 individuals that:

- 23 (1) Apply for a new or expanded water appropriation permit; or

1 (2) Apply for State financial assistance including the Maryland Water
2 Quality **IMPROVEMENT** Revolving Loan Fund as provided in § 9–1605 of this article and
3 any other State funding source.

4 5–5B–05.

5 (b) In reviewing and prioritizing requests by public water systems, as defined by
6 this subtitle, for State financial assistance through the Maryland Water Quality
7 **IMPROVEMENT** Revolving Loan Fund under § 9–1605 of this article and other State
8 funding sources, the Department shall consider local initiatives and voluntary efforts, and
9 the best management practices set forth for implementation within a financial assistance
10 application.

11 (c) On or before October 1, 2003, the Department shall issue guidelines to public
12 water systems on best management practices for improving water conservation and
13 efficiency in water use, treatment, storage, and transmission, including:

14 (1) Costs and cost–savings associated with implementing examples of
15 specific best management practices;

16 (2) Water conservation associated with implementing specific best
17 management practices; and

18 (3) Priority eligibility for funding through State financial resources for
19 drinking water and wastewater treatment improvements including the Maryland Water
20 Quality **IMPROVEMENT** Revolving Loan Fund under § 9–1605 of this article and other
21 State or federal financial assistance when best management practices are implemented.

22 9–1601.

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

25 (mm) “Water Quality Fund” means the Maryland Water Quality **IMPROVEMENT**
26 Revolving Loan Fund.

27 9–1605.

28 (a) (1) (i) There is a Maryland Water Quality **IMPROVEMENT** Revolving
29 Loan Fund.

30 (ii) The Water Quality Fund shall be maintained and administered
31 by the Administration in accordance with the provisions of this subtitle and such rules or
32 program directives as the Secretary or the Board may from time to time prescribe.

33 (2) The Water Quality Fund is a special, continuing, nonlapsing fund which
34 is not subject to § 7–302 of the State Finance and Procurement Article and which shall be

1 available in perpetuity for the purpose of providing financial assistance **TO PRESERVE,**
2 **MAINTAIN, AND IMPROVE THE WATER RESOURCES OF THE STATE** in accordance with
3 the provisions of this subtitle and Title VI of the Federal Water Pollution Control Act.

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

5 (15) To provide loan guarantees for similar revolving funds established by
6 municipalities or intermunicipal agencies; [and]

7 (16) To serve as guarantee for long-term Pay for Success contracts, green
8 bonds, or environmental impact bonds by any public, private, or nonprofit entity for the
9 purchase of outcomes that provide a water quality benefit; **AND**

10 **(17) TO SUPPORT PROJECTS THAT INVOLVE:**

11 **(I) DECENTRALIZED WASTEWATER SYSTEMS;**

12 **(II) STORMWATER MANAGEMENT INFRASTRUCTURE;**

13 **(III) FLOODWATERS;**

14 **(IV) FLOODPLAINS;**

15 **(V) STREAMS;**

16 **(VI) TRIBUTARIES;**

17 **(VII) WETLANDS; AND**

18 **(VIII) TECHNICAL ASSISTANCE FOR PROJECTS UNDER THIS ITEM.**

19 (f) In creating an intended use plan for the Water Quality Fund, the
20 Administration shall [prioritize]:

21 **(1) INCLUDE IN THE PLAN:**

22 [(1)] **(I)** Opportunities to provide **TECHNICAL** assistance to
23 [disadvantaged] **OVERBURDENED** communities [or communities], **AS DEFINED IN §**
24 **1-701 OF THIS ARTICLE, THAT HAVE BEEN** disproportionately [burdened] **IMPACTED**
25 by environmental harms and risks; and

26 [(2)] **(II)** Green and blue infrastructure[, with particular focus on natural
27 areas or natural features]; **AND**

1 **(2) USE A SCORING SYSTEM THAT:**

2 **(I) EVALUATES APPLICATIONS FOR THE FUND TO ENSURE**
 3 **THAT FUNDING PRIORITY IS GIVEN TO UNDERSERVED COMMUNITIES, AS DEFINED**
 4 **IN § 1-701 OF THIS ARTICLE, THAT ARE DISADVANTAGED BY:**

- 5 1. **ECONOMIC DISTRESS;**
 6 2. **HIGH ENVIRONMENTAL BURDENS; AND**
 7 3. **INSUFFICIENT INFRASTRUCTURE; AND**

8 **(II) REVIEWS AND CONSIDERS APPLICATIONS THAT WERE**
 9 **PREVIOUSLY DENIED AND THAT INCLUDED PROJECTS THAT:**

10 1. **ALIGNED WITH THE STATE’S LAWS AND GOALS**
 11 **INVOLVING:**

- 12 A. **CLIMATE CHANGE;**
 13 B. **FLOOD MITIGATION; AND**
 14 C. **WATER QUALITY;**

15 2. **PROVIDED TECHNICAL ASSISTANCE FOR IMPROVING**
 16 **INSUFFICIENT OR FAILED INFRASTRUCTURE; AND**

- 17 3. **INVOLVED:**
 18 A. **OVERBURDENED COMMUNITIES; AND**
 19 B. **AREAS WITH SIGNIFICANT ENVIRONMENTAL HARM.**

20 **Article – State Finance and Procurement**

21 5-7B-01.

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

23 (c) (1) “Growth-related project” means only the items set forth below:

24 (iv) funding by the Department of the Environment, for any project
 25 under:

1 1. §§ 9–1601 through 9–1605 (Water Quality
2 **IMPROVEMENT** Revolving Loan Fund) of the Environment Article except for funding
3 nonpoint source pollution projects;

4 2. §§ 9–420 through 9–426 (Water Supply Financial
5 Assistance Program) of the Environment Article; and

6 3. the supplemental assistance program authorized under
7 Title 9, Subtitle 3, Part VI of the Environment Article; and

8 6–226.

9 (a) (2) (ii) The provisions of subparagraph (i) of this paragraph do not apply
10 to the following funds:

11 47. Maryland Water Quality **IMPROVEMENT** Revolving Loan
12 Fund;

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2025.