



CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration
Environmental Education*

Senate Bill 671

Bay Restoration Fund - Allocation of Fees, Authorized Uses, and County Authority to Incur Indebtedness

DATE: FEBRUARY 19, 2020

POSITION: SUPPORT WITH AMENDMENT

The Chesapeake Bay Foundation SUPPORTS Senate Bill 671 with AMENDMENTS. As drafted, SB 671 would expand the authorized uses of the Bay Restoration Fund (BRF) and provide increased funding for correcting poorly functioning septic systems. The bill should be amended to maintain current uses and funding allocations while providing a reserve to address urgent septic system failures.

Septic systems are a persistent source of nitrogen pollution in the Chesapeake Bay and cause significant problems with local water quality in certain areas of the state. Maryland fell short of its 2017 interim commitment to reduce pollution from septic systems by approximately 20%. In addition to excess nitrogen pollution, septic systems with compromised components can foul nearby waterways with pathogens dangerous to humans and animals.

MDE is already authorized to provide BRF monies for repair or replacement of failing septic systems with a system that uses Best Available Technology (BAT) to reduce nitrogen in its effluent. This revenue comes from households that use a septic system to treat effluent and is split with the State's cover crop program. BAT upgrades are among the most cost-effective pollution reduction practices available outside of the agricultural sector. As drafted, SB 671 would require the BRF's wastewater account to fund many of these upgrades (and cover crops, based on the current statutory formula) while supporting replacement of additional components of a failing system. The wastewater account is funded by users of public treatment works and is fully subscribed for important pollution reduction projects including wastewater treatment upgrades, sewer line extensions to areas with failing systems, and stormwater improvements. For this reason, CBF does not support transferring wastewater funds to the septic account.

CBF is aware that the current county allocation system within the septic account may delay funding for failing septic systems in urgent need of repair or replacement, especially near the end of a fiscal year. CBF would support an amendment that reserves a small percentage of existing septic fund revenues to MDE to upgrade failing systems when and where needed. CBF also supports the legislation's additional bonding authority for local governments as another option for funding when needed through a tested distribution model.

The Chesapeake Bay Foundation recommends a FAVORABLE REPORT on SB 671 WITH AMENDMENTS from the Education, Health and Environmental Affairs Committee. For more information, please contact Erik Fisher at efisher@cbf.org.

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The Chesapeake Bay Foundation (CBF) is a non-profit environmental education and advocacy organization dedicated to the restoration and protection of the Chesapeake Bay. With over 300,000 members and e-subscribers, including over 107,000 in Maryland alone, CBF works to educate the public and to protect the interest of the Chesapeake and its resources.