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House Bill HB 878 – Bay Restoration Fund – County Authority to Incur Indebtedness

**House of Delegates Appropriations Committee
FEBRUARY 25, 2021**

POSITION: IN FAVOR

HB 878 is needed to help property owners afford costly repairs to their septic systems. These repairs can cost up to \$75,000.00 with \$25,000.00 being the average cost to repair a septic system.

There are approximately 450,000 septic systems in Maryland and the EPA estimates 10% of those fail every year. I can attest that over the last year my calls for failing septic systems have skyrocketed. The combination of aging systems, poor design or installation, increased heavy rains and people home instead of work or school has played havoc on septic systems. The typical response from property owners is I don't know where I am going to get the money to pay for this needed repair.

HB 878 is just another tool in the toolbox for counties to get failing septic systems repaired in order to protect public and environmental health. Currently the Bay Restoration Fund (BRF) will pay for the installation of a MDE approved BAT system (septic tank) and in some cases the dispersal system (drainfield, mound or drip system) for very low-income people. HB 878 will allow counties to use their BRF allocation to purchase bonds to provide low interest loans or grants to pay for all the cost associated with the repair of their failing septic system providing a MDE approved BAT is included in the repair.

The BRF does pay for the cost a BAT system, but it does not pay for all the other costs of the repair which could be up to \$60,000.00 in additional cost. The amendments attached to my testimony allows for these bonded funds to pay for drain fields and engineering. This provides a solution for property owners to afford the significant cost of repairing their septic system.

HB 878 only enables counties to use BRF money to purchase bonds. It does not require or mandate the counties to do so. The decision of if the is best use of a counties BRF allocation is left up to the county.

As a fiscal conservative HB 878 meets all the requirements of a good bill. HB 878 uses existing funds, will not divert funds away from other use, is not a requirement and will help property owners in a time of need.

I urge a favorable report.

Thank you,

Matthew Geckle
Vice-President

Amendments:

19-1002.

A COUNTY MAY EXPEND THE NET PROCEEDS OF THE SALE OF AN ISSUE OF NOTES ONLY TO:

(1) MAKE GRANTS AND LOANS:

(I) IN ACCORDANCE WITH § 9-1605.2(H)(2)(I) OF THE ENVIRONMENT ARTICLE; OR

(II) FOR ENGINEERING COSTS AND NON-BAT COMPONENTS, INCLUDING DRAINFIELDS, NEEDED FOR THE REPAIR OF EXISTING ON-SITE SEWAGE DISPOSAL SYSTEMS OR NEW ON-SITE SEWAGE DISPOSAL SYSTEMS THAT UTILIZE BEST AVAILABLE TECHNOLOGY FOR THE REMOVAL OF NITROGEN; OR

(2) REFUND ONE OR MORE ISSUES OF NOTES ORIGINALLY ISSUED TO FUND PROJECTS ELIGIBLE FOR BAY RESTORATION FUNDING UNDER 9-1605.2(H)(2)(I) OF THE ENVIRONMENT ARTICLE.