

SB701 Geckle Support.pdf

Uploaded by: Geckle, Mathew

Position: FAV



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**SB701 – Bay Restoration Fund – County Authority to Incur Indebtedness
Education Health and Environmental Affairs
March 4, 2021**

POSITION: IN FAVOR

SB 701 will help property owners afford costly repairs to their septic systems. These can cost up to \$75,000.00 with \$25,000.00 the average cost to repair a system. There are approximately 450,000 septic systems in Maryland and the EPA estimates 10% 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 do not know where I am going to get the money to pay for this needed repair.

SB 701 is just another tool for counties to get failing septic systems repaired 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 for the repair cost 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. SB 701 provides a solution for property owners to afford the significant cost of repairing their septic system. This bill only enables counties to use BRF money to purchase bonds. It does not require or mandate the counties to do so. The decision if this is best use of a counties BRF allocation is up to the county.

As a fiscal conservative, SB701 meets all the requirements of a good bill. SB701 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.

Matthew Geckle
Vice-President

MBIA Testimony SB 701.pdf

Uploaded by: Graf, Lori

Position: FAV

March 4, 2021

The Honorable Paul G. Pinsky
Senate Education, Health & Environmental Affairs Committee
Miller Senate Office Building,
2 West Wing 11 Bladen St.,
Annapolis, MD, 21401

RE: SB 701 Bay Restoration Fund – County Authority to Incur Indebtedness

Dear Chairman Pinsky:

The Maryland Building Industry Association, representing 1,100 member firms statewide, appreciates the opportunity to participate in the **SB 701 Bay Restoration Fund – County Authority to Incur Indebtedness**. MBIA **Supports** the Act in its current version.

This bill would allow the county to borrow money and sell notes in anticipation of the receipt of Bay Restoration Funds. MBIA supports this measure. The Bay Restoration Fund is an important economic and environmental influx to the Chesapeake Bay area. However, the funding itself can be prevented by numerous approvals and procedures for its use. This bill would allow for a smoother and more consistent source of funding and prevent projects from slowing down due to lack of funds.

For these reasons, MBIA respectfully requests the Committee give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Education, Health & Environmental Affairs Committee

SB701- CRSemler Favorable.pdf

Uploaded by: Harrison, Edward

Position: FAV

SB 701

Position : IN FAVOR

March 4, 2021

The following comments are based on my 41 years of experience in the On Site Septic System Industry designing, installing, inspecting, manufacturing, material supplier and maintenance provider and I have encountered many situations that the cost of repair or replacement of the system placed a extreme financial hardship on the property owner who never in their wildest dreams could imagine the cost to repair there failing system was going to be 30 to 50% of the amount they had paid for their home.

The owners often have no avenue to obtain a loan large enough to fund a modern day environmentally friendly septic system so the problems limp along with occasional back up issues, surface dumping of laundry waters or occasional effluent leaking to the surface until the home gets sold for one reason or another but if there was a avenue for grants and low interest loans the vast majority of these situations would be fixed in a timely manner and minimize the stress on the owners, and the environment without placing unreasonable burden on the tax payers.

C.R.SEMLER Inc.

Charles R Semler Jr.
Charles R Semler Jr.

SB0701-EHE_MACo_SUP.pdf

Uploaded by: Kinnally, Kevin

Position: FAV



Senate Bill 701

Bay Restoration Fund - County Authority to Incur Indebtedness

MACo Position: **SUPPORT**

To: Education, Health, and Environmental
Affairs Committee

Date: March 4, 2021

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 701. This bill provides counties with an optional and flexible tool to make grants and loans to address septic system pollution.

SB 701 authorizes a county to borrow money and incur indebtedness through the issuance and sale of notes in anticipation of the receipt of the county's allocation of funds under the Bay Restoration Fund (BRF). Counties may use the proceeds to assist homeowners with costs related to upgrading septic and on-site disposal systems.

MACo supports this bill because it gives counties another "tool in the toolbox" to meet their nitrogen reduction goals under the Phase III Chesapeake Bay Watershed Implementation Plan. As counties exhaust their options for connecting failing septic systems to public sewer or upgrading them to systems using best available technology for nitrogen removal, it is critical to encourage residents to replace conventional septic tanks with nitrogen-reducing units.

This bill provides a sensible and flexible approach for counties to provide needed funding for septic system upgrades that will reduce the amount of harmful nutrient discharge into the Chesapeake Bay and its tributaries.

Accordingly, MACo requests the Committee issue a **FAVORABLE** report on SB 701.

SB701 von Guten favorable.pdf

Uploaded by: von Gunten, Gene

Position: FAV

Gene von Gunten
SB701 Bay Restoration Fund
Education Health and Environmental Affairs
March 4, 2021

Position: Support

My name is Gene von Gunten. I live near Westminster, MD in Carroll County. I retired after working 38 years in local environmental health, for the Frederick County Health Department and the Montgomery County Department of Permitting Services. I was the manager of the Well & Septic Section at MCDPS. My entire career was devoted to serving homeowners with water well and septic system issues.

I would like to testify in support of SB 701. Every County in Maryland is struggling to deal with a growing number of failing septic systems. Many of the homes built during the 1960's and 1970's are experiencing septic failures. As we work with homeowners to replace these systems, we must be cognizant of the receiving environment- if we are going to protect the health of the Chesapeake Bay and our groundwater. This means many of these systems require expensive pre-treatment and expensive dispersal systems. These systems are typically designed by professionals and carry greater installation costs.

Many homeowners are simply unable to afford these expensive upgrades. The BRF has helped many shoulder these costs, but most Counties exhaust their allotted funds before the year ends. This leaves many homeowners in need of funding that does not exist. SB 701 creates a mechanism whereby Counties can leverage their funds and borrow funds to help many additional homeowners.

I can tell you the costs associated with enforcement are far greater than the costs to administer these programs; and the benefits to homeowners are substantial. Let's help expand the BRF for many more Maryland homeowners.

Senator West-SB701-FAV.pdf

Uploaded by: West, Christopher

Position: FWA

CHRIS WEST
Legislative District 42
Baltimore County

Judicial Proceedings Committee

Vice Chair, Baltimore County
Senate Delegation



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March 4, 2021

Senate Education, Health, and Environmental Affairs Committee
The Honorable Paul G. Pinsky
2 West Miller Senate Building
Annapolis, Maryland 21401-1991

RE: SB 701 – Bay Restoration Fund – County Authority to Incur Indebtedness

Dear Chairman Pinsky and Members of the Committee:

The Bay Restoration Fund was established in 2004 and currently has about \$115 million on hand. The Maryland Department of the Environment administers the Fund. \$15 million from the Fund is allocated annually in grant funding, largely in the form of block grants to county health departments. The counties can reliably expect to receive these monies annually and in turn use them to make loans or grants to county residents whose septic systems have failed.

Maryland has about a half million septic systems serving residences, and about 10% of these are in poor or failing condition. A home septic system is the most expensive system in a home, and all home septic systems eventually fail. When that happens, the system must be replaced, or else raw sewerage is emitted and ends up in local watercourses. The cost of replacing a septic system can run as high as \$75 thousand dollars. The block grants to the counties from the Bay Restoration Fund are intended to help county residents pay for the cost of septic system replacement.

Generally speaking, counties have enough money each year to assist their citizens with their septic system replacement costs; however, there are occasions when available money runs out. In such situations, it is unacceptable for failing septic systems to be left unattended until the next year's block grant from the Bay Restoration Fund arrives.

Senate Bill 701 authorizes the counties to capitalize the future stream of money coming to them from the Bay Restoration Fund. It authorizes them to borrow money now on the strength of future receipts from the Fund. In order to do this, a county is authorized to issue notes to lenders. The principal of the notes may be repaid from the county's Bay Restoration Fund allocation. The bill also authorizes the county to pledge its full faith and credit to the payment of the principal and interest on the notes and then must dedicate property tax revenues in future years to pay the principal and interest. Essentially, under Senate Bill 701, the counties are given an additional tool in their toolboxes to deal with failing septic systems – they can borrow today

against future allocations of Bay Restoration Fund money and thus can fund current urgent septic system repairs.

I would like to mention that I will be offering two amendments that were offered in the house as a result of a cooperative effort with the Maryland Department of the Environment. The first amendment is technical while the second expands the legislation to cover engineering costs and the repair of other sites such as drain fields.

I hope that you will give SB 701 a favorable report.