

Office of Government Relations 88 State Circle Annapolis, Maryland 21401

HB 1311

March 10, 2022

- TO: Members of the House Appropriations and House Environment and Transportation Committees
- **FROM:** Natasha Mehu, Director, Office of Government Relations
- **RE:** House Bill 1311 Chesapeake Bay Restoration Fund Authorized Uses Chesapeake Bay Restoration Fund Lockbox Act of 2022

POSITION: SUPPORT

Chair McIntosh, Vice Chair Chang, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 1311.

HB 1311 would restrict the use of the Chesapeake Bay Restoration Fund to certain purposes directly related to addressing pollution from wastewater treatment facilities, on-site sewage disposal systems, sewer systems, and stormwater management systems; repealing provisions of law requiring certain amounts to be transferred from the Chesapeake Bay Restoration Fund to other State funds and re-designate the Clean Water Commerce Account as a special, non-lapsing fund called the Clean Water Commerce Fund; etc.

The Chesapeake Bay Restoration Fund bill was originally signed into law in 2004 (Senate Bill 320) to address declining water quality in the Bay; in particular, excessive amounts of phosphorus and nitrogen. Effluent from wastewater treatment plants is one of the major resources of these nutrients as are urban and agricultural runoff. The purpose of the Bay Restoration Fund bill is to create a dedicated fund, financed by wastewater plant and septic system users, to update wastewater treatment plants with enhanced nutrient removal and achieve more nitrogen removal from septic system discharges, as well as implement agricultural cover crops to reduce nutrient loading into the Bay.

Baltimore City and County ratepayers have contributed to the Fund and the City's Department of Public Works is a recipient of Bay Restoration Funds that contributed to the costs of constructing Advanced Nutrient Removal systems at both the Back River and Patapsco Wastewater Treatment Plant. Unfortunately, these funds have been transferred into other accounts such as Clean Water Commerce, the Chesapeake Bay Trust, the 2010 Trust and the Department of Agriculture. While these other funds are doing important work, it was never intended to use the contributions made by wastewater treatment plant ratepayers and septic system users for anything other than the improvements to those systems.

Baltimore City believes that if the Chesapeake Bay Funds are collected and used for their intended purposes, work on projects can move forward because the funding levels will be stabilized. Securing these funds will be particularly critical for smaller wastewater treatment plants that will need assistance with these expensive capital investments. This will provide greater benefits to the Bay and the goals set by the original legislation. HB 1311 would reverse the trend of transferring funds into other accounts and allocate additional dollars to local governments and their customers who pay the fees. This is a more fair and equitable use of Bay Restoration Funds.

For the above-stated reasons, we respectfully request a **favorable** report on HB 1311.

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