



House Bill 24 – Bay Restoration Fund – Authorized Uses – Connection to Existing Municipal Wastewater Facility

Position: Favorable with Amendments

The Maryland REALTORS® support HB 24 with a recommendation to fund the connection to municipal sewer through the portion of Bay Restoration Fund used to upgrade wastewater treatment plants rather than the current septic account.

HB 24 would allow communities with failing systems which: are located in low-income areas as determined by the Maryland Department of Environment (MDE); have a household income of up to \$300,000; and are located near an existing sewer main to connect to that main regardless of the level of nutrient removal.

While most of the money from the Bay Restoration fee for septic is used to fund septic upgrades to properties in Maryland's Critical Areas, not all of the money is used for septic. Forty percent of the funds are dedicated to cover crops. Lesser amounts are used to help properties connect to sewer connections to wastewater plants with enhanced nitrogen removal.

Given that many counties run out of money for septic upgrades under the existing funding formula, HB 24 should consider pulling additional money for sewer connections from the money used for wastewater treatment upgrades. As of 2023, the Wastewater Treatment Plant fund had collected over \$1.6 billion in revenue compared to \$240 million for the septic fund. As Maryland nears completion of many wastewater projects, there will likely be more opportunity in funding from that account.

The REALTORS® believe that sewer connections are more consistent with the use of funds under the wastewater treatment portion of the fund and that more money is available for new uses.

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