



**The Maryland Department of the Environment
Secretary Serena McIlwain**

House Bill 131

Environment - Bay Restoration Fund - Septic System Upgrade Program

Position: Support
Committee: Environment and Transportation Committee
Date: February 5, 2025
From: Alex Butler, Deputy Director of Government Relations

The Maryland Department of the Environment (MDE) **SUPPORTS** HB 131. The bill makes four critical updates to the Bay Restoration Fund (BRF) to improve septic system upgrades with Best Available Technology (BAT) for nitrogen removal.

First, the bill prioritizes funding for failing septic systems in any nitrogen-impaired watershed in the State. Under current law, prioritization is focused on the critical areas like the Chesapeake and Atlantic Coastal Bays. The expanded prioritization better targets some of Maryland's most vulnerable ecosystems and communities and improves nitrogen reduction efforts at the local level. This change is based on a recommendation from the 2023 report *Achieving Water Quality Goals in the Chesapeake Bay: A Comprehensive Evaluation of System Response* (CESR Report).

Second, the bill expands BRF funding access for moderate-income homeowners, providing needed financial assistance for upgrades and maintenance, such as drainfield replacements, that would otherwise be cost-prohibitive. This change provides some additional flexibility for funding deserving projects.

Third, the bill would authorize MDE to establish performance-based funding levels based on the actual nitrogen removal efficiency of approved BAT systems. This would incentivize homeowners to consider higher performing systems over lower performing systems. The bill does not alter the underlying BAT system criteria nor does it limit a homeowner from choosing any system on the approved BAT list. This change is also based on a CESR report recommendation.

Finally, the bill adjusts an eligibility date that is starting to exclude otherwise worthy projects from consideration of BRF assistance. When the BRF was originally created, eligibility was limited to those septic systems installed on or before October 1, 2008. As time has moved forward, some systems installed after that date are reaching the end of their natural lifespans and homeowners are unfairly being excluded from accessing BRF funding. The bill alters the eligibility date to require a septic system to have been installed at least 15 years before July 1 of the year in which the application for funding is made.

House Bill 131 updates the BRF to keep this nationally recognized funding program focused on improving water quality for all Marylanders, meeting our Chesapeake Bay restoration goals, and providing a more equitable and fair funding process. Accordingly, MDE asks for a **FAVORABLE** report for HB 131.

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