

HOUSE BILL 78

M3

0lr1268
CF 0lr1651

By: **Delegate C. Watson**

Introduced and read first time: January 10, 2020

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Bay Restoration Fund – Authorized Uses**

3 FOR the purpose of altering the criteria for determining the use of funds in the Bay
4 Restoration Fund for certain purposes in certain fiscal years; specifying that certain
5 grants to certain local governments may be used for stormwater management
6 measures that include volume or quality control; and generally relating to the
7 authorized uses of the Bay Restoration Fund.

8 BY repealing and reenacting, with amendments,
9 Article – Environment
10 Section 9–1605.2(i)(2)
11 Annotated Code of Maryland
12 (2014 Replacement Volume and 2019 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
14 That the Laws of Maryland read as follows:

15 **Article – Environment**

16 9–1605.2.

17 (i) (2) Funds in the Bay Restoration Fund shall be used only:

18 (i) To award grants for up to 100% of eligible costs of projects
19 relating to planning, design, construction, and upgrade of a wastewater facility for flows up
20 to the design capacity of the wastewater facility, as approved by the Department, to achieve
21 enhanced nutrient removal in accordance with paragraph (3) of this subsection;

22 (ii) In fiscal years 2016 and thereafter, for up to 87.5% of the total
23 cost of projects, as approved by the Department, relating to combined sewer overflows
24 abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 pumping stations;

2 (iii) In fiscal years 2010 and thereafter, for a portion of the operation
3 and maintenance costs related to the enhanced nutrient removal technology, which may
4 not exceed 10% of the total restoration fee collected from users of wastewater facilities
5 under this section by the Comptroller annually;

6 (iv) In fiscal years 2018 and thereafter, after payment of outstanding
7 bonds and the allocation of funds to other required uses of the Bay Restoration Fund for
8 funding in the following order of priority:

9 1. For funding the eligible costs to upgrade a wastewater
10 facility to enhanced nutrient removal at wastewater facilities with a design capacity of
11 500,000 gallons or more per day;

12 2. For funding the eligible costs of the most cost-effective
13 enhanced nutrient removal upgrades at wastewater facilities with a design capacity of less
14 than 500,000 gallons per day; and

15 3. As determined by the Department and based on water
16 quality, **CLIMATE RESILIENCY, FLOOD CONTROL**, and public health benefits, for the
17 following:

18 A. For costs identified under item (ii) of this paragraph;

19 B. For costs identified under subsection (h)(2)(i)1 of this
20 section; and

21 C. With respect to a local government that has enacted and
22 implemented a system of charges to fully fund the implementation of a stormwater
23 management program, for grants to the local government for a portion of the costs of the
24 most cost-effective and efficient stormwater control measures, **INCLUDING VOLUME OR**
25 **QUALITY CONTROL**, as determined and approved by the Department, from the restoration
26 fees collected annually by the Comptroller from users of wastewater facilities under this
27 section;

28 (v) As a source of revenue or security for the payment of principal
29 and interest on bonds issued by the Administration if the proceeds of the sale of the bonds
30 will be deposited in the Bay Restoration Fund;

31 (vi) To earn interest on Bay Restoration Fund accounts;

32 (vii) For the reasonable costs of administering the Bay Restoration
33 Fund, which may not exceed 1.5% of the total restoration fees imposed on users of
34 wastewater facilities that are collected by the Comptroller annually;

35 (viii) For the reasonable administrative costs incurred by a local

1 government or a billing authority for a water or wastewater facility collecting the
2 restoration fees, in an amount not to exceed 5% of the total restoration fees collected by
3 that local government or billing authority;

4 (ix) For future upgrades of wastewater facilities to achieve additional
5 nutrient removal or water quality improvement, in accordance with paragraphs (6) and (7)
6 of this subsection;

7 (x) For costs associated with the issuance of bonds;

8 (xi) Subject to the allocation of funds and the conditions under
9 subsection (h) of this section, for projects related to the removal of nitrogen from on-site
10 sewage disposal systems and cover crop activities;

11 (xii) For costs associated with the implementation of alternate
12 compliance plans authorized in § 4-202.1(k)(3) of this article; and

13 (xiii) After funding any eligible costs identified under item (iv)1 and 2
14 of this paragraph, for costs associated with the purchase of cost-effective nitrogen,
15 phosphorus, or sediment load reductions in support of the State's efforts to restore the
16 health of the Chesapeake Bay, not to exceed \$4,000,000 in fiscal year 2018, \$6,000,000 in
17 fiscal year 2019, and \$10,000,000 per year in fiscal years 2020 and 2021.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
19 1, 2020.