

# SENATE BILL 863

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By: **Senators Miller, Astle, Bates, Benson, Brochin, Cassilly, Conway, Currie, DeGrange, Eckardt, Edwards, Guzzone, Hershey, Hough, Jennings, Kasemeyer, King, Klausmeier, Madaleno, Mathias, Middleton, Montgomery, Nathan-Pulliam, Peters, Pugh, Raskin, Ready, Salling, Serafini, Waugh, and Zirkin**

Introduced and read first time: February 25, 2015

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Watershed Protection and Restoration Programs – Revisions**

3 FOR the purpose of repealing the requirement that a certain county or municipality adopt  
4 and implement local laws or ordinances necessary to establish a watershed  
5 protection and restoration program; authorizing a certain county or municipality to  
6 adopt and implement local laws or ordinances necessary to establish a watershed  
7 protection and restoration program; repealing the requirement that a certain  
8 program include a certain fee and a certain fund; authorizing a certain program to  
9 include a certain fee and a certain fund; repealing the requirement that a certain  
10 county or municipality maintain or administer a certain fund in accordance with  
11 certain requirements; authorizing a certain county or municipality to maintain or  
12 administer a certain fund in accordance with certain requirements; repealing the  
13 requirement that a certain county or municipality establish and annually collect a  
14 certain fee; authorizing a certain county or municipality to establish and annually  
15 collect a certain fee; exempting certain veterans' organizations from being charged a  
16 stormwater remediation fee by a county or municipality; authorizing the State or a  
17 unit of State government to be charged a stormwater remediation fee by a county  
18 under certain circumstances; repealing the requirement that a certain county or  
19 municipality set a certain fee in a certain manner; authorizing a certain county or  
20 municipality to set a certain fee in a certain manner; establishing a maximum  
21 stormwater remediation fee for certain nonprofit groups or organizations; requiring  
22 a county or municipality to include a certain statement on a bill to collect a  
23 stormwater remediation fee; authorizing local watershed protection and restoration  
24 funds to receive certain funds; requiring certain funds disbursed from local  
25 watershed protection and restoration funds to be in addition to existing State or local  
26 expenditures for stormwater management; prohibiting certain funds from being used  
27 for certain programs, services, or staff that were in existence on or before a certain

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 date; altering a certain reporting requirement; requiring a county or municipality to  
 2 file a certain annual financial assurance plan with the Department of the  
 3 Environment in accordance with certain requirements beginning on a certain date;  
 4 requiring the Department to submit a certain annual report to the Governor and  
 5 certain committees of the General Assembly in accordance with certain requirements  
 6 beginning on a certain date; requiring a county or municipality to authorize certain  
 7 nonprofit groups or organizations to implement a certain plan in lieu of paying a  
 8 stormwater remediation fee under certain circumstances; requiring the Department  
 9 to adopt regulations to establish a certain plan; authorizing funds in the Bay  
 10 Restoration Fund to be used for costs associated with the implementation of certain  
 11 alternate compliance plans; making stylistic changes; providing for the effective date  
 12 of certain provisions of this Act; providing for the termination of certain provisions  
 13 of this Act; and generally relating to watershed protection and restoration programs.

14 BY repealing and reenacting, with amendments,  
 15 Article – Environment  
 16 Section 4–202.1  
 17 Annotated Code of Maryland  
 18 (2013 Replacement Volume and 2014 Supplement)

19 BY repealing and reenacting, with amendments,  
 20 Article – Environment  
 21 Section 9–1605.2(i)(2)  
 22 Annotated Code of Maryland  
 23 (2014 Replacement Volume)

24 BY repealing and reenacting, with amendments,  
 25 Article – Environment  
 26 Section 9–1605.2(i)(2)  
 27 Annotated Code of Maryland  
 28 (2014 Replacement Volume)  
 29 (As enacted by Chapter 150 of the Acts of the General Assembly of 2012)

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

32 **Article – Environment**

33 4–202.1.

34 (a) (1) Except as provided in paragraph (2) of this subsection, this section  
 35 applies to a county or municipality that is subject to a national pollutant discharge  
 36 elimination system Phase I municipal separate storm sewer system permit.

37 (2) This section does not apply to a county or municipality that, on or before  
 38 July 1, 2012, has enacted and implemented a system of charges under § 4–204 of this

1 subtitle for the purpose of funding a watershed protection and restoration program, or  
2 similar program, in a manner consistent with the requirements of this section.

3 (b) [On or before July 1, 2013, a] A county or municipality [shall] MAY adopt and  
4 implement local laws or ordinances necessary to establish a watershed protection and  
5 restoration program.

6 (c) A watershed protection and restoration program established under this  
7 section [shall] MAY include:

8 (1) A stormwater remediation fee; and

9 (2) A local watershed protection and restoration fund.

10 (d) (1) A county or municipality [shall] MAY maintain or administer a local  
11 watershed protection and restoration fund in accordance with this section.

12 (2) The purpose of a local watershed protection and restoration fund is to  
13 provide financial assistance for the implementation of local stormwater management plans  
14 through stormwater management practices and stream and wetland restoration activities.

15 (e) (1) Except as provided in paragraph (2) of this subsection and subsection  
16 (f) of this section, a county or municipality [shall] MAY establish and annually collect a  
17 stormwater remediation fee from owners of property located within the county or  
18 municipality in accordance with this section.

19 (2) (I) [Property] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF  
20 THIS PARAGRAPH, PROPERTY owned by the State, a unit of State government, a county,  
21 a municipality, A VETERANS' ORGANIZATION THAT IS EXEMPT FROM TAXATION  
22 UNDER § 501(C)(4) OR (19) OF THE INTERNAL REVENUE CODE, or a regularly  
23 organized volunteer fire department that is used for public purposes may not be charged a  
24 stormwater remediation fee under this section.

25 (II) PROPERTY OWNED BY THE STATE OR A UNIT OF STATE  
26 GOVERNMENT MAY BE CHARGED A STORMWATER REMEDIATION FEE BY A COUNTY  
27 UNDER THIS SECTION IF:

28 1. THE STATE AND A COUNTY AGREE TO THE  
29 COLLECTION OF AN ANNUAL STORMWATER REMEDIATION FEE FROM THE STATE  
30 THAT IS BASED ON THE SHARE OF STORMWATER MANAGEMENT SERVICES RELATED  
31 TO STATE PROPERTY LOCATED WITHIN THE COUNTY;

32 2. THE COUNTY AGREES TO APPROPRIATE INTO ITS OWN  
33 LOCAL WATERSHED PROTECTION AND RESTORATION FUND, ON AN ANNUAL BASIS,  
34 AN AMOUNT OF MONEY THAT IS BASED ON THE SHARE OF STORMWATER

1 MANAGEMENT SERVICES RELATED TO COUNTY PROPERTY ON AN ANNUAL BASIS;  
2 AND

3 **3. THE COUNTY DEMONSTRATES TO THE**  
4 **DEPARTMENT'S SATISFACTION THAT THE FEES COLLECTED UNDER ITEM 1 OF THIS**  
5 **SUBPARAGRAPH AND THE MONEY APPROPRIATED UNDER ITEM 2 OF THIS**  
6 **SUBPARAGRAPH WERE DEPOSITED INTO THE COUNTY'S LOCAL WATERSHED**  
7 **PROTECTION AND RESTORATION FUND.**

8 **(III) THE MONEY DEPOSITED IN A COUNTY'S LOCAL WATERSHED**  
9 **PROTECTION AND RESTORATION FUND UNDER SUBPARAGRAPH (II) OF THIS**  
10 **PARAGRAPH MAY ONLY BE USED TO ALLOW A COUNTY TO REDUCE THE AMOUNT OF**  
11 **FEES COLLECTED FROM PROPERTY IN THE COUNTY THAT IS NOT OWNED BY THE**  
12 **STATE OR COUNTY.**

13 **(3) (i) [A] SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A**  
14 **county or municipality [shall] MAY set a stormwater remediation fee for property in an**  
15 **amount that is based on the share of stormwater management services related to the**  
16 **property and provided by the county or municipality.**

17 **(ii) A county or municipality may set a stormwater remediation fee**  
18 **under this paragraph based on:**

19 **1. A flat rate;**

20 **2. An amount that is graduated, based on the amount of**  
21 **impervious surface on each property; or**

22 **3. Another method of calculation selected by the county or**  
23 **municipality.**

24 **(4) EXCEPT AS PROVIDED IN SUBSECTION (K)(3) OF THIS SECTION,**  
25 **THE STORMWATER REMEDIATION FEE FOR PROPERTY OWNED BY A CHARITABLE**  
26 **NONPROFIT GROUP OR ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER §**  
27 **501(C)(3) OR (D) OF THE INTERNAL REVENUE CODE MAY NOT EXCEED \$15 PER**  
28 **1,000 SQUARE FEET OF IMPERVIOUS SURFACE.**

29 **[(4)] (5) [A] IF A COUNTY OR MUNICIPALITY ESTABLISHES A**  
30 **STORMWATER REMEDIATION FEE UNDER THIS SECTION, THE stormwater remediation**  
31 **fee established under this section is separate from any charges that a county or**  
32 **municipality establishes related to stormwater management for new developments under**  
33 **§ 4-204 of this subtitle, including fees for permitting, review of stormwater management**  
34 **plans, inspections, or monitoring.**

1 (f) (1) [A] IF A COUNTY OR MUNICIPALITY ESTABLISHES A STORMWATER  
2 REMEDIATION FEE UNDER THIS SECTION, THE county or municipality shall establish  
3 policies and procedures, approved by the Department, to reduce any portion of a  
4 stormwater remediation fee established under subsection (e) of this section to account for  
5 on-site and off-site systems, facilities, services, or activities that reduce the quantity or  
6 improve the quality of stormwater discharged from the property.

7 (2) The policies and procedures established by a county or municipality  
8 under paragraph (1) of this subsection shall include:

9 (i) Guidelines for determining which on-site systems, facilities,  
10 services, or activities may be the basis for a fee reduction, including guidelines:

11 1. Relating to properties with existing advanced stormwater  
12 best management practices;

13 2. Relating to agricultural activities or facilities that are  
14 otherwise exempted from stormwater management requirements by the county or  
15 municipality; and

16 3. That account for the costs of, and the level of treatment  
17 provided by, stormwater management facilities that are funded and maintained by a  
18 property owner;

19 (ii) The method for calculating the amount of a fee reduction; and

20 (iii) Procedures for monitoring and verifying the effectiveness of the  
21 on-site systems, facilities, services, or activities in reducing the quantity or improving the  
22 quality of stormwater discharged from the property.

23 (3) For the purpose of monitoring and verifying the effectiveness of on-site  
24 systems, facilities, services, or activities under paragraph (2)(iii) of this subsection, a county  
25 or municipality may:

26 (i) Conduct on-site inspections;

27 (ii) Authorize a third party, certified by the Department, to conduct  
28 on-site inspections on behalf of the county or municipality; or

29 (iii) Require a property owner to hire a third party, certified by the  
30 Department, to conduct an on-site inspection and provide to the county or municipality the  
31 results of the inspection and any other information required by the county or municipality.

32 (g) (1) A property may not be assessed a stormwater remediation fee by both  
33 a county and a municipality.

1                   (2)   (i)    Before a county may impose a stormwater remediation fee on a  
2 property located within a municipality, the county shall:

3                               1.    Notify the municipality of the county's intent to impose a  
4 stormwater remediation fee on property located within the municipality; and

5                               2.    Provide the municipality reasonable time to pass an  
6 ordinance authorizing the imposition of a municipal stormwater remediation fee instead of  
7 a county stormwater remediation fee.

8                   (ii)   If a county currently imposes a stormwater remediation fee on  
9 property located within a municipality and the municipality decides to implement its own  
10 stormwater remediation fee under this section or § 4-204 of this subtitle, the municipality  
11 shall:

12                              1.    Notify the county of the municipality's intent to impose its  
13 own stormwater remediation fee; and

14                              2.    Provide the county reasonable time to discontinue the  
15 collection of the county stormwater remediation fee within the municipality before the  
16 municipality's stormwater remediation fee becomes effective.

17                   (3)    A county or municipality shall establish a procedure for a property  
18 owner to appeal a stormwater remediation fee imposed under this section.

19                   (h)   (1)   **(I) [A] IF A COUNTY OR MUNICIPALITY ESTABLISHES A**  
20 **STORMWATER REMEDIATION FEE UNDER THIS SECTION, THE** county or municipality  
21 shall determine the method, frequency, and enforcement of the collection of the stormwater  
22 remediation fee.

23                                       **(II) A COUNTY OR MUNICIPALITY SHALL INCLUDE THE**  
24 **FOLLOWING STATEMENT ON A BILL TO COLLECT A STORMWATER REMEDIATION FEE:**  
25 **"THIS IS A LOCAL GOVERNMENT FEE ESTABLISHED IN RESPONSE TO FEDERAL**  
26 **STORMWATER MANAGEMENT REQUIREMENTS."**

27                              (2)    A county or municipality shall deposit [the] ANY stormwater  
28 remediation fees it collects into its local watershed protection and restoration fund.

29                              (3)    There shall be deposited in a local watershed protection and restoration  
30 fund:

31                                       (i)    **[Funds] ANY FUNDS** received from the stormwater remediation  
32 fee;

33                                       **(II) FUNDS RECEIVED UNDER SUBSECTION (E)(2) OF THIS**  
34 **SECTION;**

1                    ~~[(ii)] (III)~~ Interest or other income earned on the investment of  
2 money in the local watershed protection and restoration fund; and

3                    ~~[(iii)] (IV)~~ Any additional money made available from any sources for  
4 the purposes for which the local watershed protection and restoration fund has been  
5 established.

6                    (4) Subject to paragraph (5) of this subsection, a county or municipality  
7 shall use the money in its local watershed protection and restoration fund for the following  
8 purposes only:

9                    (i) Capital improvements for stormwater management, including  
10 stream and wetland restoration projects;

11                    (ii) Operation and maintenance of stormwater management systems  
12 and facilities;

13                    (iii) Public education and outreach relating to stormwater  
14 management or stream and wetland restoration;

15                    (iv) Stormwater management planning, including:

16                            1. Mapping and assessment of impervious surfaces; and

17                            2. Monitoring, inspection, and enforcement activities to carry  
18 out the purposes of the watershed protection and restoration fund;

19                    (v) To the extent that fees imposed under § 4–204 of this subtitle are  
20 deposited into the local watershed protection and restoration fund, review of stormwater  
21 management plans and permit applications for new development;

22                    (vi) Grants to nonprofit organizations for up to 100% of a project's  
23 costs for watershed restoration and rehabilitation projects relating to:

24                            1. Planning, design, and construction of stormwater  
25 management practices;

26                            2. Stream and wetland restoration; and

27                            3. Public education and outreach related to stormwater  
28 management or stream and wetland restoration; and

29                    (vii) Reasonable costs necessary to administer the local watershed  
30 protection and restoration fund.

1 (5) A county or municipality may use its local watershed protection and  
2 restoration fund as an environmental fund, and may deposit to and expend from the fund  
3 additional money made available from other sources and dedicated to environmental uses,  
4 provided that the funds received from the stormwater remediation fee, **IF ANY**, are  
5 expended only for the purposes authorized under paragraph (4) of this subsection.

6 (6) The funds disbursed under this subsection [are intended to] **SHALL** be  
7 in addition to any existing State or local expenditures for stormwater management **AND**  
8 **MAY NOT BE USED TO FUND STORMWATER MANAGEMENT PROGRAMS, SERVICES, OR**  
9 **STAFF THAT WERE IN EXISTENCE ON OR BEFORE JULY 1, 2013.**

10 (7) Money in a local watershed protection and restoration fund may not  
11 revert or be transferred to the general fund of any county or municipality.

12 (i) [Beginning July 1, 2014, and every 2 years thereafter, a county or  
13 municipality shall make publicly available a report] **A COUNTY OR MUNICIPALITY SHALL**  
14 **REPORT ANNUALLY, IN A MANNER DETERMINED BY THE DEPARTMENT, on:**

15 (1) The number of properties subject to a stormwater remediation fee, **IF**  
16 **ANY;**

17 (2) **ANY FEE STRUCTURE DEVELOPED BY THE COUNTY OR**  
18 **MUNICIPALITY, INCLUDING THE AMOUNT OF MONEY COLLECTED FROM EACH**  
19 **CLASSIFICATION OF PROPERTY ASSESSED A FEE AND ANY SURCHARGES COLLECTED**  
20 **UNDER § 9-1605.2(B)(6) OF THIS ARTICLE;**

21 [(2)] (3) The amount of money deposited into the watershed protection  
22 and restoration fund [over] **IN** the previous [2] fiscal [years] **YEAR;** and

23 [(3)] (4) The percentage of funds in the local watershed protection and  
24 restoration fund spent on each of the purposes provided in subsection (h)(4) of this section.

25 (J) (1) **BEGINNING JULY 1, 2016, AND EVERY YEAR THEREAFTER, A**  
26 **COUNTY OR MUNICIPALITY SHALL FILE WITH THE DEPARTMENT A FINANCIAL**  
27 **ASSURANCE PLAN THAT CLEARLY IDENTIFIES:**

28 (I) **ACTIONS THAT WILL BE REQUIRED OF THE COUNTY OR**  
29 **MUNICIPALITY TO MEET THE REQUIREMENTS OF ITS NATIONAL POLLUTANT**  
30 **DISCHARGE ELIMINATION SYSTEM PHASE I MUNICIPAL SEPARATE STORM SEWER**  
31 **SYSTEM PERMIT;**

32 (II) **ANY SOURCES OF FUNDS THAT WILL BE UTILIZED BY THE**  
33 **COUNTY OR MUNICIPALITY TO MEET THE REQUIREMENTS OF ITS NATIONAL**



1 POLLUTANT ELIMINATION SYSTEM PHASE I MUNICIPAL SEPARATE STORM SEWER  
2 SYSTEM PERMIT; AND

3 (iii) SPECIFIC PLANS THAT THE COUNTY OR MUNICIPALITY WILL  
4 IMPLEMENT TO MEET ITS REQUIREMENTS UNDER ITS NATIONAL POLLUTANT  
5 DISCHARGE ELIMINATION SYSTEM PHASE I MUNICIPAL SEPARATE STORM SEWER  
6 SYSTEM PERMIT.

7 (2) A FINANCIAL ASSURANCE PLAN REQUIRED UNDER THIS  
8 SUBSECTION SHALL BE MADE PUBLICLY AVAILABLE ON THE DEPARTMENT'S WEB  
9 SITE.

10 (3) BEGINNING SEPTEMBER 1, 2016, AND EVERY YEAR THEREAFTER,  
11 THE DEPARTMENT SHALL SUBMIT A REPORT EVALUATING THE COMPLIANCE OF  
12 COUNTIES AND MUNICIPALITIES WITH THE REQUIREMENTS OF THIS SECTION TO  
13 THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT  
14 ARTICLE, THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS  
15 COMMITTEE AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE.

16 [(j)] (k) (1) [A] IF A COUNTY OR MUNICIPALITY ESTABLISHES A  
17 STORMWATER REMEDIATION FEE UNDER THIS SECTION, THE county or municipality  
18 shall establish a program to exempt from the requirements of this section a property able  
19 to demonstrate substantial financial hardship as a result of the stormwater remediation  
20 fee.

21 (2) A county or municipality may establish a separate hardship exemption  
22 program or include a hardship exemption as part of a system of offsets established under  
23 subsection (f)(1) of this section.

24 (3) (i) A COUNTY OR MUNICIPALITY SHALL AUTHORIZE A  
25 CHARITABLE NONPROFIT GROUP OR ORGANIZATION THAT IS EXEMPT FROM  
26 TAXATION UNDER § 501(C)(3) OR (D) OF THE INTERNAL REVENUE CODE AND CAN  
27 DEMONSTRATE SUBSTANTIAL FINANCIAL HARDSHIP TO IMPLEMENT AN ALTERNATE  
28 COMPLIANCE PLAN IN LIEU OF PAYING A STORMWATER REMEDIATION FEE FOR  
29 PROPERTY OWNED BY THE GROUP OR ORGANIZATION.

30 (ii) THE DEPARTMENT SHALL ADOPT REGULATIONS TO  
31 ESTABLISH THE ALTERNATE COMPLIANCE PLAN AUTHORIZED UNDER  
32 SUBPARAGRAPH (i) OF THIS PARAGRAPH.

33 [(k)] (L) The Department may adopt regulations to implement and enforce this  
34 section.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
2 as follows:

3 **Article – Environment**

4 9–1605.2.

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

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

10 (ii) 1. In fiscal years 2005 through 2009, inclusive, for a portion  
11 of the costs of projects relating to combined sewer overflows abatement, rehabilitation of  
12 existing sewers, and upgrading conveyance systems, including pumping stations, not to  
13 exceed an annual total of \$5,000,000;

14 2. In fiscal years 2010 and thereafter, for a portion of the  
15 operation and maintenance costs related to the enhanced nutrient removal technology,  
16 which may not exceed 10% of the total restoration fee collected from users of wastewater  
17 facilities under this section by the Comptroller annually;

18 3. In fiscal years 2018 and thereafter, after payment of  
19 outstanding bonds and the allocation of funds to other required uses of the Bay Restoration  
20 Fund for funding in the following order of priority:

21 A. For funding an upgrade of a wastewater facility to  
22 enhanced nutrient removal at wastewater facilities with a design capacity of 500,000  
23 gallons or more per day;

24 B. For funding for the most cost-effective enhanced nutrient  
25 removal upgrades at wastewater facilities with a design capacity of less than 500,000  
26 gallons per day;

27 C. For costs identified under subsection (h)(2)(i)1 of this  
28 section; and

29 D. With respect to a local government that has enacted and  
30 implemented a system of charges under § 4–204 of this article to fully fund the  
31 implementation of a stormwater management program, for grants to the local government  
32 for a portion of the costs of the most cost-effective and efficient stormwater control  
33 measures, as determined and approved by the Department, from the restoration fees  
34 collected annually by the Comptroller from users of wastewater facilities under this section;

1 (iii) As a source of revenue or security for the payment of principal  
2 and interest on bonds issued by the Administration if the proceeds of the sale of the bonds  
3 will be deposited in the Bay Restoration Fund;

4 (iv) To earn interest on Bay Restoration Fund accounts;

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

8 (vi) For the reasonable administrative costs incurred by a local  
9 government or a billing authority for a water or wastewater facility collecting the  
10 restoration fees, in an amount not to exceed 5% of the total restoration fees collected by  
11 that local government or billing authority;

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

15 (viii) For costs associated with the issuance of bonds; [and]

16 (ix) Subject to the allocation of funds and the conditions under  
17 subsection (h) of this section, for projects related to the removal of nitrogen from on-site  
18 sewage disposal systems and cover crop activities; AND

19 **(X) FOR COSTS ASSOCIATED WITH THE IMPLEMENTATION OF**  
20 **ALTERNATE COMPLIANCE PLANS AUTHORIZED IN § 4-202.1(K)(3) OF THIS ARTICLE.**

21 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
22 as follows:

23 **Article – Environment**

24 9-1605.2.

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

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

30 (ii) 1. In fiscal years 2005 through 2009, inclusive, for a portion  
31 of the costs of projects relating to combined sewer overflows abatement, rehabilitation of  
32 existing sewers, and upgrading conveyance systems, including pumping stations, not to  
33 exceed an annual total of \$5,000,000;

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

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

8                   A.     For funding an upgrade of a wastewater facility to  
9 enhanced nutrient removal at wastewater facilities with a design capacity of 500,000  
10 gallons or more per day;

11                   B.     For funding for the most cost-effective enhanced nutrient  
12 removal upgrades at wastewater facilities with a design capacity of less than 500,000  
13 gallons per day;

14                   C.     For costs identified under subsection (h)(2)(i)1 of this  
15 section; and

16                   D.     With respect to a local government that has enacted and  
17 implemented a system of charges under § 4-204 of this article to fully fund the  
18 implementation of a stormwater management program, for grants to the local government  
19 for a portion of the costs of the most cost-effective and efficient stormwater control  
20 measures, as determined and approved by the Department, from the restoration fees  
21 collected annually by the Comptroller from users of wastewater facilities under this section;

22                   (iii)   As a source of revenue or security for the payment of principal  
23 and interest on bonds issued by the Administration if the proceeds of the sale of the bonds  
24 will be deposited in the Bay Restoration Fund;

25                   (iv)   To earn interest on Bay Restoration Fund accounts;

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

29                   (vi)   For the reasonable administrative costs incurred by a local  
30 government or a billing authority for a water or wastewater facility collecting the  
31 restoration fees, in an amount not to exceed 5% of the total restoration fees collected by  
32 that local government or billing authority;

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

36                   (viii)  For costs associated with the issuance of bonds; [and]

1                   (ix) Subject to the allocation of funds and the conditions under  
2 subsection (h) of this section, for projects related to the removal of nitrogen from on-site  
3 sewage disposal systems and cover crop activities; **AND**

4                   **(X) FOR COSTS ASSOCIATED WITH THE IMPLEMENTATION OF**  
5 **ALTERNATE COMPLIANCE PLANS AUTHORIZED IN § 4-202.1(K)(3) OF THIS ARTICLE.**

6           SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take  
7 effect on the taking effect of the termination provision specified in Section 2 of Chapter 150  
8 of the Acts of the General Assembly of 2012. If that termination provision takes effect,  
9 Section 2 of this Act shall be abrogated and of no further force and effect. This Act may not  
10 be interpreted to have any effect on that termination provision.

11           SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions of  
12 Section 4 of this Act, this Act shall take effect July 1, 2015.