

HOUSE BILL 507

M3, M4

1lr1600
CF SB 119

By: **Delegate Stein**

Introduced and read first time: January 15, 2021

Assigned to: Environment and Transportation and Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Clean Water Commerce Act of 2021**

3 FOR the purpose of establishing the Clean Water Commerce Fund as a special, nonlapsing
4 fund; requiring the Department of the Environment to transfer a certain amount
5 from the Bay Restoration Fund to the Clean Water Commerce Fund for certain
6 purposes in certain fiscal years; altering the authorized uses of the Bay Restoration
7 Fund to include certain transfers to the Clean Water Commerce Fund; repealing a
8 certain authorization to use funds in the Bay Restoration Fund for costs associated
9 with certain nutrient or sediment load reductions; altering the membership of the
10 Bay Restoration Fund Advisory Committee; specifying the purpose of the Clean
11 Water Commerce Fund; requiring the Secretary of the Environment to administer
12 the Clean Water Commerce Fund; requiring the State Treasurer to hold the Clean
13 Water Commerce Fund and the Comptroller to account for the Clean Water
14 Commerce Fund; specifying the contents of the Clean Water Commerce Fund;
15 specifying the purpose for which the Clean Water Commerce Fund may be used;
16 providing for the disposition of certain unencumbered money in the Clean Water
17 Commerce Fund; authorizing the Department to establish certain accounts and
18 subaccounts within the Clean Water Commerce Fund; providing for the investment
19 of money in and expenditures from the Clean Water Commerce Fund; requiring
20 interest earnings of the Clean Water Commerce Fund to be credited to the Clean
21 Water Commerce Fund; exempting the Clean Water Commerce Fund from a certain
22 provision of law requiring interest earnings on State money to accrue to the General
23 Fund of the State; prohibiting certain environmental outcomes from being resold or
24 transferred to a certain person; requiring credit for certain reductions to be
25 attributed to certain sectors; requiring the Department to use a certain process to
26 invite certain funding proposals and to publicly announce a request for proposals or
27 otherwise initiate a certain process at least once a year; requiring the Department
28 to require certain information to be included in a certain funding proposal; requiring
29 the Department to announce the criteria that will be used to evaluate certain funding
30 proposals when initiating a certain process; requiring the Department to prioritize
31 certain factors when evaluating certain funding proposals; requiring the Department

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 to establish and implement a certain verification process and use certain standards
2 and processes for verifying certain environmental outcomes; establishing
3 requirements for environmental outcomes purchased under certain provisions of this
4 Act; authorizing a certain contract to be funded for a certain period of time;
5 establishing requirements for payment under a certain contract; requiring the
6 Department to establish a certain registry and make the registry available to the
7 public on the Department's website; authorizing a certain project or practice to be
8 partially funded under this Act subject to certain conditions; requiring the
9 Department to make a certain annual report to the Bay Restoration Fund Advisory
10 Committee and, in accordance with a certain provision of law, certain committees of
11 the General Assembly; making certain conforming changes; providing for the
12 effective date of certain provisions of this Act; providing for the termination of certain
13 provisions of this Act; defining certain terms; and generally relating to the Bay
14 Restoration Fund and the Clean Water Commerce Fund.

15 BY repealing and reenacting, without amendments,
16 Article – Environment
17 Section 9–1605.2(a)(1) and (j)(1)
18 Annotated Code of Maryland
19 (2014 Replacement Volume and 2020 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – Environment
22 Section 9–1605.2(i)(2) and (3), (j)(2), and (l)
23 Annotated Code of Maryland
24 (2014 Replacement Volume and 2020 Supplement)

25 BY adding to
26 Article – Environment
27 Section 9–1605.4
28 Annotated Code of Maryland
29 (2014 Replacement Volume and 2020 Supplement)

30 BY repealing and reenacting, without amendments,
31 Article – State Finance and Procurement
32 Section 6–226(a)(2)(i)
33 Annotated Code of Maryland
34 (2015 Replacement Volume and 2020 Supplement)

35 BY repealing and reenacting, with amendments,
36 Article – State Finance and Procurement
37 Section 6–226(a)(2)(ii)122. and 123.
38 Annotated Code of Maryland
39 (2015 Replacement Volume and 2020 Supplement)

40 BY adding to
41 Article – State Finance and Procurement

1 Section 6–226(a)(2)(ii)124.
2 Annotated Code of Maryland
3 (2015 Replacement Volume and 2020 Supplement)

4 BY repealing
5 Chapter 366 of the Acts of the General Assembly of 2017
6 Section 2 through 4

7 BY repealing and reenacting, with amendments,
8 Chapter 366 of the Acts of the General Assembly of 2017
9 Section 5

10 BY repealing
11 Chapter 367 of the Acts of the General Assembly of 2017
12 Section 2 through 4

13 BY repealing and reenacting, with amendments,
14 Chapter 367 of the Acts of the General Assembly of 2017
15 Section 5

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

18 **Article – Environment**

19 9–1605.2.

20 (a) (1) There is a Bay Restoration Fund.

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

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

26 (ii) In fiscal years 2016 and thereafter, for up to 87.5% of the total
27 cost of projects, as approved by the Department, relating to combined sewer overflows
28 abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including
29 pumping stations;

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

34 (iv) In fiscal years 2018 and thereafter, after payment of outstanding

1 bonds and the allocation of funds to other required uses of the Bay Restoration Fund for
2 funding in the following order of priority:

3 1. For funding the eligible costs to upgrade a wastewater
4 facility to enhanced nutrient removal at wastewater facilities with a design capacity of
5 500,000 gallons or more per day;

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

9 3. As determined by the Department and based on water
10 quality, climate resiliency, flood control, and public health benefits, for the following:

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

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

14 C. With respect to a local government that has enacted and
15 implemented a system of charges to fully fund the implementation of a stormwater
16 management program, for grants to the local government for a portion of the costs of the
17 most cost-effective and efficient stormwater control measures, including stormwater
18 measures relating to water quality, climate resiliency, or flood control, as determined and
19 approved by the Department, from the restoration fees collected annually by the
20 Comptroller from users of wastewater facilities under this section;

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

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

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

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

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

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

1 (xi) 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;

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

6 (xiii) After funding any eligible costs identified under item (iv)1 and 2
7 of this paragraph, for [costs associated with the purchase of cost-effective nitrogen,
8 phosphorus, or sediment load reductions in support of the State's efforts to restore the
9 health of the Chesapeake Bay, not to exceed \$4,000,000 in fiscal year 2018, \$6,000,000 in
10 fiscal year 2019, and \$10,000,000 per year in fiscal years 2020 and 2021] **TRANSFERS TO**
11 **THE CLEAN WATER COMMERCE FUND IN ACCORDANCE WITH PARAGRAPH (3) OF**
12 **THIS SUBSECTION.**

13 (3) [The nitrogen, phosphorus, and sediment load reductions purchased
14 under paragraph (2)(xiii) of this subsection:

15 (i) Cannot be from the agricultural sector; and

16 (ii) Must be created on or after July 1, 2017.] **IN FISCAL YEAR 2022**
17 **AND EACH FISCAL YEAR THEREAFTER, THE DEPARTMENT SHALL TRANSFER**
18 **\$20,000,000 FROM THE BAY RESTORATION FUND TO THE CLEAN WATER**
19 **COMMERCE FUND ESTABLISHED UNDER § 9-1605.4 OF THIS SUBTITLE, TO BE USED**
20 **FOR THE PURPOSES SPECIFIED IN § 9-1605.4 OF THIS SUBTITLE.**

21 (j) (1) There is a Bay Restoration Fund Advisory Committee.

22 (2) The Committee consists of the following members:

23 (i) The Secretaries of the Environment, Agriculture, Planning,
24 Natural Resources, and Budget and Management, or their designees;

25 (ii) One member of the Senate, appointed by the President of the
26 Senate;

27 (iii) One member of the House of Delegates, appointed by the Speaker
28 of the House of Delegates;

29 (iv) Two individuals representing publicly owned wastewater
30 facilities, appointed by the Governor;

31 (v) Two individuals representing environmental organizations,
32 appointed by the Governor;

1 (vi) One individual each from the Maryland Association of Counties
2 and the Maryland Municipal League, appointed by the Governor;

3 (vii) Two individuals representing the business community,
4 appointed by the Governor;

5 (viii) Two individuals representing local health departments who have
6 expertise in on-site sewage disposal systems, appointed by the Governor; [and]

7 (ix) One individual representing a university or research institute
8 who has expertise in nutrient pollution, appointed by the Governor; AND

9 (X) ONE INDIVIDUAL REPRESENTING THE CHESAPEAKE BAY
10 COMMISSION, APPOINTED BY THE CHAIR OF THE MARYLAND DELEGATION TO THE
11 COMMISSION.

12 (l) [(1) Subject to paragraph (2) of this subsection, the] THE Department shall
13 adopt regulations that are necessary or appropriate to carry out the provisions of this
14 section.

15 [(2) Regulations adopted to carry out subsection (i)(2)(xiii) of this section
16 shall:

17 (i) Be adopted before the purchase of any load reductions;

18 (ii) Specify that a load reduction purchased should provide the
19 lowest cost per pound in reduction and be purchased in accordance with a competitive
20 process; and

21 (iii) Be adopted in consultation with the Secretary of Transportation,
22 the Secretary of Natural Resources, the Secretary of Commerce, the Secretary of
23 Agriculture, and public and private sector stakeholders.]

24 **9-1605.4.**

25 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
26 INDICATED.

27 (2) "AGGREGATOR" MEANS A PERSON THAT FACILITATES OR
28 COORDINATES THE ESTABLISHMENT OF PRACTICES OR PROJECTS THAT:

29 (I) ARE IMPLEMENTED BY THE PERSON OR BY OTHERS;

30 (II) PRODUCE A QUANTIFIABLE ENVIRONMENTAL OUTCOME;

1 (III) ARE REGISTERED BY THE PERSON; AND

2 (IV) ARE MADE AVAILABLE FOR PURCHASE BY THE
3 DEPARTMENT UNDER THIS SECTION.

4 (3) "CHESAPEAKE BAY TMDL" MEANS THE TOTAL MAXIMUM DAILY
5 LOAD ADOPTED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY UNDER THE
6 CLEAN WATER ACT FOR THE CHESAPEAKE BAY.

7 (4) "ENVIRONMENTAL OUTCOME" MEANS ANY OF THE FOLLOWING
8 QUANTITATIVE OUTCOMES THAT CAN BE DIRECTLY MEASURED OR MODELED AT THE
9 EDGE OF TIDE USING THE CHESAPEAKE BAY PROGRAM WATERSHED MODEL OR
10 ANY OTHER METHOD OR MODEL IN A QUANTIFICATION PLAN:

11 (I) NITROGEN LOAD REDUCTION;

12 (II) PHOSPHORUS LOAD REDUCTION; OR

13 (III) SEDIMENT LOAD REDUCTION.

14 (5) "FUND" MEANS THE CLEAN WATER COMMERCE FUND.

15 (6) "NONAGRICULTURAL LANDSCAPE RESTORATION PROJECT"
16 MEANS A PROJECT THAT:

17 (I) IS INSTALLED ON NONAGRICULTURAL LANDS;

18 (II) HAS AN INTENDED LIFESPAN OF AT LEAST 15 YEARS; AND

19 (III) IS ESTIMATED BY THE CHESAPEAKE BAY PROGRAM
20 CHESAPEAKE ASSESSMENT TOOL TO PROVIDE ENVIRONMENTAL OUTCOMES.

21 (7) "QUANTIFICATION PLAN" MEANS A PLAN APPROVED BY THE
22 DEPARTMENT THAT DESCRIBES:

23 (I) THE METHOD THAT WILL BE USED TO MEASURE OR MODEL
24 ENVIRONMENTAL OUTCOMES;

25 (II) THE REQUIRED COMPLIANCE MONITORING THAT WILL
26 OCCUR TO ENSURE THAT THE PROPOSED ACTIONS WERE TAKEN;

27 (III) ANY VERIFICATION STEPS THAT MAY BE CARRIED OUT BY
28 THE DEPARTMENT TO CONFIRM THE MODEL RESULTS OR THE ACCURATE

1 MEASUREMENT OF ENVIRONMENTAL OUTCOMES; AND

2 (IV) THE TIMELINE FOR PROPOSED PAYMENTS UNDER A
3 CONTRACT WITH THE DEPARTMENT.

4 (B) THERE IS A CLEAN WATER COMMERCE FUND.

5 (C) THE PURPOSE OF THE FUND IS TO PURCHASE ENVIRONMENTAL
6 OUTCOMES IN SUPPORT OF THE STATE'S EFFORTS TO ACHIEVE THE CHESAPEAKE
7 BAY TMDL.

8 (D) THE SECRETARY SHALL ADMINISTER THE FUND.

9 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
10 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

11 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
12 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

13 (F) THE FUND CONSISTS OF:

14 (1) REVENUE DISTRIBUTED TO THE FUND UNDER §
15 9-1605.2(I)(2)(XIII) OF THIS SUBTITLE;

16 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

17 (3) ANY INVESTMENT EARNINGS OF THE FUND; AND

18 (4) ANY OTHER MONEY FROM ANY OTHER SOURCES ACCEPTED FOR
19 THE BENEFIT OF THE FUND.

20 (G) (1) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE FUND
21 MAY BE USED ONLY FOR THE PURCHASE OF COST-EFFECTIVE ENVIRONMENTAL
22 OUTCOMES IN SUPPORT OF THE STATE'S EFFORTS TO ACHIEVE THE CHESAPEAKE
23 BAY TMDL.

24 (2) IN EACH FISCAL YEAR:

25 (I) AT LEAST 35% SHALL BE USED TO PROCURE
26 ENVIRONMENTAL OUTCOMES FROM PROJECTS ON AGRICULTURAL LANDS;

27 (II) AT LEAST 20% SHALL BE USED TO PROCURE
28 ENVIRONMENTAL OUTCOMES FROM PROJECTS ESTABLISHED IN DISADVANTAGED

1 COMMUNITIES IMPACTED BY ENVIRONMENTAL JUSTICE CONCERNS, AS IDENTIFIED
2 BY THE DEPARTMENT IN CONSULTATION WITH THE COMMISSION ON
3 ENVIRONMENTAL JUSTICE AND SUSTAINABLE COMMUNITIES; AND

4 (III) AT LEAST 10% SHALL BE USED TO PROCURE
5 ENVIRONMENTAL OUTCOMES FROM NONAGRICULTURAL LANDSCAPE RESTORATION
6 PROJECTS.

7 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
8 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

9 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED
10 TO THE FUND.

11 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE
12 WITH THE STATE BUDGET.

13 (J) IF THE UNENCUMBERED BALANCE OF THE FUND EXCEEDS \$20,000,000
14 AT THE END OF A FISCAL YEAR, ANY MONEY IN EXCESS OF THAT \$20,000,000 SHALL
15 REVERT TO THE BAY RESTORATION FUND.

16 (K) THE DEPARTMENT MAY ESTABLISH ACCOUNTS AND SUBACCOUNTS
17 WITHIN THE FUND TO CARRY OUT THE PURPOSES OF THIS SECTION.

18 (L) AN ENVIRONMENTAL OUTCOME PURCHASED UNDER THIS SECTION MAY
19 NOT BE RESOLD OR TRANSFERRED TO ANY OTHER PERSON.

20 (M) IN CALCULATING POLLUTION REDUCTIONS UNDER THE CHESAPEAKE
21 BAY TMDL BY VARIOUS MAJOR SOURCE SECTORS RECOGNIZED IN THE
22 WATERSHED IMPLEMENTATION PLAN, CREDIT FOR ANY REDUCTIONS FUNDED
23 UNDER THIS SECTION SHALL BE ATTRIBUTED TO THE SECTOR OF THE SOURCE THAT
24 MAKES THE REDUCTIONS.

25 (N) (1) THE DEPARTMENT SHALL:

26 (i) USE A COMPETITIVE PROCESS TO INVITE FUNDING
27 PROPOSALS FROM AGGREGATORS AND OTHER PERSONS FOR THE PROVISION OF
28 ENVIRONMENTAL OUTCOMES THAT WILL CONTRIBUTE TOWARD THE ACHIEVEMENT
29 OF THE CHESAPEAKE BAY TMDL; AND

30 (ii) AT LEAST ONCE A YEAR, PUBLICLY ANNOUNCE A REQUEST
31 FOR PROPOSALS OR OTHERWISE INITIATE A PROCUREMENT PROCESS FOR
32 ENVIRONMENTAL OUTCOMES TO BE FUNDED UNDER THIS SECTION.

1 **(2) THE DEPARTMENT SHALL REQUIRE EACH FUNDING PROPOSAL**
2 **SUBMITTED UNDER THIS SECTION TO INCLUDE:**

3 **(I) A DESCRIPTION OF THE PROJECTS OR PRACTICES TO BE**
4 **USED OR IMPLEMENTED TO ACHIEVE THE ENVIRONMENTAL OUTCOMES;**

5 **(II) THE LOCATION WHERE THE PROJECTS OR PRACTICES WILL**
6 **BE USED OR IMPLEMENTED;**

7 **(III) A PROPOSED QUANTIFICATION PLAN AND VERIFICATION**
8 **PROCEDURE;**

9 **(IV) A PROPOSED COST AND PAYMENT SCHEDULE;**

10 **(V) AN EXPLANATION OF WHETHER THE PROPOSAL MEETS THE**
11 **REQUIREMENTS FOR FUNDING SPECIFIED IN SUBSECTION (G) OF THIS SECTION;**
12 **AND**

13 **(VI) ANY OTHER INFORMATION REQUIRED BY THE**
14 **DEPARTMENT.**

15 **(3) (I) WHEN INITIATING A COMPETITIVE PROCESS UNDER THIS**
16 **SUBSECTION, THE DEPARTMENT SHALL ANNOUNCE THE CRITERIA THAT WILL BE**
17 **USED TO EVALUATE FUNDING PROPOSALS.**

18 **(II) WHEN EVALUATING FUNDING PROPOSALS, THE**
19 **DEPARTMENT SHALL PRIORITIZE THE FOLLOWING FACTORS IN THE FOLLOWING**
20 **ORDER:**

21 **1. THE DOLLAR COST PER UNIT OF ENVIRONMENTAL**
22 **OUTCOME; AND**

23 **2. THE PROVISION OF EXPECTED CO-BENEFITS**
24 **RELATED TO:**

25 **A. ENHANCING RESILIENCY TO THE ANTICIPATED**
26 **ADVERSE EFFECTS OF CLIMATE CHANGES;**

27 **B. ADDRESSING DIVERSITY, EQUITY, OR**
28 **ENVIRONMENTAL JUSTICE CONCERNS; OR**

29 **C. CONTRIBUTING TOWARD THE ATTAINMENT OF**

1 WATER QUALITY STANDARDS IN A LOCALLY IMPAIRED WATERSHED.

2 (O) THE DEPARTMENT SHALL:

3 (1) ESTABLISH AND IMPLEMENT A PROCESS TO VERIFY
4 ENVIRONMENTAL OUTCOMES FOR WHICH FUNDING IS PROVIDED UNDER THIS
5 SECTION; AND

6 (2) USE CONSISTENT STANDARDS AND PROCESSES FOR VERIFYING
7 ENVIRONMENTAL OUTCOMES THROUGH THE CONFIRMATION OF MODELING
8 RESULTS, THE CONFIRMATION OF INSTALLATIONS, AND, WHERE APPROPRIATE, THE
9 MEASUREMENT OF OUTCOMES DURING OR AFTER THE INITIATION OF A PROJECT OR
10 PRACTICE.

11 (P) AN ENVIRONMENTAL OUTCOME PURCHASED UNDER THIS SECTION
12 SHALL:

13 (1) RESULT FROM A NEW PROJECT OR PRACTICE DESIGNED AND
14 ESTABLISHED FOLLOWING THE SELECTION OF A PROPOSAL AND THE EXECUTION OF
15 A CONTRACT IN ACCORDANCE WITH THIS SECTION;

16 (2) BE IN ADDITION TO ANY LOAD REDUCTION REQUIRED BY ANY
17 FEDERAL, STATE, OR LOCAL LAW, REGULATION, POLICY, OR PERMIT, INCLUDING
18 ANY APPLICABLE TOTAL MAXIMUM DAILY LOAD; AND

19 (3) BE CONSISTENT WITH THE CHESAPEAKE BAY PARTNERSHIP
20 ACCOUNTING PROCEDURES SO AS TO ENSURE THE LOAD REDUCTIONS WILL COUNT
21 TOWARD THE ACHIEVEMENT OF THE CHESAPEAKE BAY TMDL.

22 (Q) A CONTRACT ENTERED INTO BY THE DEPARTMENT UNDER THIS
23 SECTION MAY BE FUNDED FOR THE EXPECTED LIFE OF THE PROJECT OR PRACTICE
24 YIELDING THE ENVIRONMENTAL OUTCOME, NOT TO EXCEED 15 YEARS.

25 (R) (1) PROVISIONS FOR PAYMENT UNDER A CONTRACT FOR
26 ENVIRONMENTAL OUTCOMES SHALL BE AS:

27 (I) ANNUAL OR LESS FREQUENT PAYMENTS OVER THE
28 DURATION OF THE CONTRACT FOLLOWING VERIFICATION OF ENVIRONMENTAL
29 OUTCOMES; OR

30 (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, FULL
31 OR SUBSTANTIAL PAYMENT AFTER CONSTRUCTION IS COMPLETED AND
32 INCREMENTAL PAYMENTS AFTER LONG-TERM ENVIRONMENTAL OUTCOMES ARE

1 VERIFIED UNDER A PAY-FOR-SUCCESS CONTRACT.

2 (2) INITIAL AND INCREMENTAL PAYMENTS MAY BE MADE UNDER A
3 PAY-FOR-SUCCESS CONTRACT AS WARRANTED BY THE FINANCIAL RESOURCES OF
4 THE APPLICANT, THE NATURE OF THE PROJECT OR PRACTICE, AND OTHER
5 RELEVANT CIRCUMSTANCES.

6 (S) THE DEPARTMENT SHALL:

7 (1) ESTABLISH A REGISTRY, INCLUDING SPATIAL INFORMATION, OF
8 PROJECTS AND PRACTICES FUNDED UNDER THIS SECTION THAT SHALL INCLUDE
9 INFORMATION SUFFICIENT TO TRACK THE OWNERSHIP OF THE PROJECT OR
10 PRACTICE; AND

11 (2) MAKE THE REGISTRY AVAILABLE TO THE PUBLIC ON THE
12 DEPARTMENT'S WEBSITE.

13 (T) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A PROJECT OR
14 PRACTICE THAT IS PARTIALLY FINANCED WITH ANOTHER SOURCE OF STATE FUNDS
15 MAY BE FUNDED UNDER THIS SECTION.

16 (2) FUNDING PROVIDED TO A PROJECT OR PRACTICE UNDER THIS
17 SUBSECTION SHALL BE PRORATED TO COVER ONLY THE PORTION OF THE
18 ENVIRONMENTAL BENEFIT NOT FUNDED BY ANOTHER STATE SOURCE.

19 (U) ON OR BEFORE DECEMBER 31 EACH YEAR, THE DEPARTMENT SHALL
20 REPORT TO THE BAY RESTORATION FUND ADVISORY COMMITTEE AND, IN
21 ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT, THE SENATE
22 EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE AND THE
23 HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE ON:

24 (1) THE TOTAL AMOUNT EXPENDED AND ENCUMBERED UNDER THIS
25 SECTION:

26 (I) DURING THE IMMEDIATELY PRECEDING FISCAL YEAR; AND

27 (II) SINCE JULY 1, 2022;

28 (2) THE AMOUNT AND TYPE OF ENVIRONMENTAL OUTCOMES
29 PURCHASED UNDER THIS SECTION AND THE TYPES OF PROJECTS OR PRACTICES
30 THAT PRODUCED THOSE OUTCOMES, INCLUDING INFORMATION ON:

31 (I) THE COST PER UNIT OF NITROGEN, PHOSPHORUS, OR

1 SEDIMENT REDUCED OR REMOVED; AND

2 (II) THE RELATIVE CONTRIBUTION OF EACH ENVIRONMENTAL
3 OUTCOME TOWARD CLOSING ANY GAPS IN ACHIEVING THE NUTRIENT AND
4 SEDIMENT TARGETS OF THE CHESAPEAKE BAY TMDL;

5 (3) THE TYPE AND VALUE OF ANY CO-BENEFITS PROVIDED BY
6 PROJECTS OR PRACTICES FUNDED UNDER THIS SECTION;

7 (4) INFORMATION ON THE COST-EFFECTIVENESS OF
8 ENVIRONMENTAL OUTCOMES PURCHASED UNDER THIS SECTION AS COMPARED
9 WITH OTHER APPROACHES TO REDUCING NITROGEN, PHOSPHORUS, AND SEDIMENT;
10 AND

11 (5) FOR FISCAL YEAR 2025 ONLY, RECOMMENDATIONS REGARDING
12 ANY AMENDMENTS TO THIS SECTION NECESSARY TO REFLECT HISTORIC AND
13 PROJECTED DEMAND FOR FUNDING FROM THE FUND AND THE BAY RESTORATION
14 FUND.

15 (V) THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THIS
16 SECTION.

17 Article – State Finance and Procurement

18 6–226.

19 (a) (2) (i) Notwithstanding any other provision of law, and unless
20 inconsistent with a federal law, grant agreement, or other federal requirement or with the
21 terms of a gift or settlement agreement, net interest on all State money allocated by the
22 State Treasurer under this section to special funds or accounts, and otherwise entitled to
23 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
24 Fund of the State.

25 (ii) The provisions of subparagraph (i) of this paragraph do not apply
26 to the following funds:

27 122. the Racing and Community Development Financing Fund;

28 [and]

29 123. the Racing and Community Development Facilities Fund;

30 AND

31 124. THE CLEAN WATER COMMERCE FUND.

32 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read

1 as follows:

2 **Chapter 366 of the Acts of 2017**

3 [SECTION 2. AND BE IT FURTHER ENACTED, That the nutrient load reductions
4 purchased under § 9–1605.2(i)(2)(xiii) of the Environment Article, as enacted by Section 1
5 of this Act, must be consistent with the Chesapeake Bay Program Partnership Accounting
6 Procedures.

7 SECTION 3. AND BE IT FURTHER ENACTED, That: (a) Beginning July 1, 2018,
8 the Department of the Environment shall report each year to the Bay Restoration Fund
9 Advisory Committee on the implementation of this Act. (b) On or before October 1, 2020,
10 the Department of the Environment shall report, in accordance with § 2–1246 of the State
11 Government Article, to the House Environment and Transportation Committee and the
12 Senate Education, Health, and Environmental Affairs Committee on the implementation
13 of this Act.

14 SECTION 4. AND BE IT FURTHER ENACTED, That:

15 (a) The Department of the Environment may enter into any contracts for the
16 purchase of nutrient load reductions under this Act until June 30, 2021.

17 (b) Any contract entered into by the Department of the Environment under this
18 Act may be funded for the expected life of the best management practice resulting from a
19 nutrient load reduction.]

20 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2017. It shall remain effective for a period of [4] 13 years and, at the end of June 30,
22 [2021] 2030, with no further action required by the General Assembly, this Act shall be
23 abrogated and of no further force and effect.

24 **Chapter 367 of the Acts of 2017**

25 [SECTION 2. AND BE IT FURTHER ENACTED, That the nutrient load reductions
26 purchased under § 9–1605.2(i)(2)(xiii) of the Environment Article, as enacted by Section 1
27 of this Act, must be consistent with the Chesapeake Bay Program Partnership Accounting
28 Procedures.

29 SECTION 3. AND BE IT FURTHER ENACTED, That: (a) Beginning July 1, 2018,
30 the Department of the Environment shall report each year to the Bay Restoration Fund
31 Advisory Committee on the implementation of this Act. (b) On or before October 1, 2020,
32 the Department of the Environment shall report, in accordance with § 2–1246 of the State
33 Government Article, to the House Environment and Transportation Committee and the
34 Senate Education, Health, and Environmental Affairs Committee on the implementation
35 of this Act.

1 SECTION 4. AND BE IT FURTHER ENACTED, That:

2 (a) The Department of the Environment may enter into any contracts for the
3 purchase of nutrient load reductions under this Act until June 30, 2021.

4 (b) Any contract entered into by the Department of the Environment under this
5 Act may be funded for the expected life of the best management practice resulting from a
6 nutrient load reduction.]

7 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2017. It shall remain effective for a period of [4] 13 years and, at the end of June 30,
9 [2021] 2030, with no further action required by the General Assembly, this Act shall be
10 abrogated and of no further force and effect.

11 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
12 1, 2021. It shall remain effective for a period of 9 years and 1 month and, at the end of June
13 30, 2030, this Act, with no further action required by the General Assembly, shall be
14 abrogated and of no further force and effect.