

# HOUSE BILL 1320

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By: **Delegates Stein, Love, and Ruth**

Introduced and read first time: February 9, 2024

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Bay Restoration Fund – Disbursement and Use of Fund**

3 FOR the purpose of altering the disbursement of certain fee revenue deposited into the Bay  
4 Restoration Fund in a certain manner; authorizing certain fee revenue deposited into  
5 the Fund to be used for certain costs attributable to the testing, engineering, or  
6 design of a certain on–site sewage disposal system and for installing or replacing the  
7 drain field of a certain system; and generally relating to the Bay Restoration Fund.

8 BY repealing and reenacting, without amendments,

9 Article – Environment

10 Section 9–1605.2(a)(1) and (h)(1)

11 Annotated Code of Maryland

12 (2014 Replacement Volume and 2023 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Environment

15 Section 9–1605.2(h)(2)

16 Annotated Code of Maryland

17 (2014 Replacement Volume and 2023 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Environment**

21 9–1605.2.

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

23 (h) (1) With regard to the funds collected under subsection (b)(1)(i)1 of this  
24 section from users of an on–site sewage disposal system or holding tank that receive a water

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 bill and subsection (b)(1)(i)2 and 3 of this section, beginning in fiscal year 2006, the  
2 Comptroller shall:

3 (i) Establish a separate account within the Bay Restoration Fund;  
4 and

5 (ii) Disburse the funds as provided under paragraph (2) of this  
6 subsection.

7 (2) (I) [The] **SUBJECT TO SUBPARAGRAPH (II) OF THIS**  
8 **PARAGRAPH, THE** Comptroller shall[:

9 (i) Deposit 60% of] **DEPOSIT** the funds in the separate account to be  
10 used for:

11 1. Subject to paragraphs (3), (4), (5), and (6) of this  
12 subsection, with priority first given to failing systems and holding tanks located in the  
13 Chesapeake and Atlantic Coastal Bays Critical Area **AND FAILING SYSTEMS AND**  
14 **NONCONFORMING SYSTEMS WITHIN 1,000 FEET OF A NITROGEN-IMPAIRED BODY OF**  
15 **WATER** and then to failing systems that the Department determines are a threat to public  
16 health or water quality, grants or loans for up to 100% of:

17 A. The costs attributable to upgrading an on-site sewage  
18 disposal system to the best available technology for the removal of nitrogen;

19 B. The cost difference between a conventional on-site sewage  
20 disposal system and a system that utilizes the best available technology for the removal of  
21 nitrogen;

22 C. The cost of repairing or replacing a failing on-site sewage  
23 disposal system with a system that uses the best available technology for nitrogen removal;

24 D. The cost, up to the sum of the costs authorized under item  
25 B of this item for each individual system, of replacing multiple on-site sewage disposal  
26 systems located in the same community with a new community sewerage system that is  
27 owned by a local government and that meets enhanced nutrient removal standards; [or]

28 E. The cost, up to the sum of the costs authorized under item  
29 C of this item for each individual system, of connecting a property using an on-site sewage  
30 disposal system to an existing municipal wastewater facility that is achieving, or has signed  
31 a funding agreement with the Department and is under construction to achieve, enhanced  
32 nutrient removal or biological nutrient removal level treatment, including payment of the  
33 principal, but not interest, of debt issued by a local government for such connection costs;

1           **F. THE COSTS ATTRIBUTABLE TO THE TESTING,**  
2 **ENGINEERING, OR DESIGN OF AN ON-SITE SEWAGE DISPOSAL SYSTEM THAT**  
3 **UTILIZES THE BEST AVAILABLE TECHNOLOGY FOR THE REMOVAL OF NITROGEN; OR**

4           **G. THE COSTS ATTRIBUTABLE TO INSTALLING OR**  
5 **REPLACING THE DRAIN FIELD OF AN ON-SITE SEWAGE DISPOSAL SYSTEM THAT**  
6 **UTILIZES THE BEST AVAILABLE TECHNOLOGY FOR THE REMOVAL OF NITROGEN;**

7           2. The reasonable costs of the Department, not to exceed 8%  
8 of the funds deposited into the separate account, to:

9           A. Implement an education, outreach, and upgrade program  
10 to advise owners of on-site sewage disposal systems and holding tanks on the proper  
11 maintenance of the systems and tanks and the availability of grants and loans under item  
12 1 of this item;

13           B. Review and approve the design and construction of on-site  
14 sewage disposal system or holding tank upgrades;

15           C. Issue grants or loans as provided under item 1 of this item;  
16 and

17           D. Provide technical support for owners of upgraded on-site  
18 sewage disposal systems or holding tanks to operate and maintain the upgraded systems;

19           3. A portion of the reasonable costs of a local public entity  
20 that has been delegated by the Department under § 1-301(b) of this article to administer  
21 and enforce environmental laws, not to exceed 10% of the funds deposited into the separate  
22 account, to implement regulations adopted by the Department for on-site sewage disposal  
23 systems that utilize the best available technology for the removal of nitrogen;

24           4. Subject to paragraph (7) of this subsection, financial  
25 assistance to low-income homeowners, as defined by the Department, for up to 50% of the  
26 cost of an operation and maintenance contract of up to 5 years for an on-site sewage  
27 disposal system that utilizes nitrogen removal technology;

28           5. Subject to paragraph (8) of this subsection, a local  
29 jurisdiction to provide financial assistance to eligible homeowners for the reasonable cost  
30 of pumping out an on-site sewage disposal system, at least once every 5 years, unless a  
31 more frequent pump out schedule is recommended during an inspection, not to exceed 10%  
32 of the funds allocated to the local jurisdiction; and

33           6. In fiscal years 2020 and 2021, financial assistance to a  
34 local jurisdiction for the development of a septic stewardship plan that meets the  
35 requirements under paragraph (8)(iii)2 of this subsection; and

1                   (ii) [Transfer 40% of the] **EACH FISCAL YEAR, THE**  
2 **COMPTROLLER SHALL TRANSFER, IN AN AMOUNT EQUAL TO THE AMOUNT**  
3 **TRANSFERRED IN FISCAL 2024,** funds to the Maryland Agriculture Water Quality Cost  
4 Share Program in the Department of Agriculture in order to fund cover crop activities.

5           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
6 1, 2024.