

SENATE BILL 726

M3

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By: **Senator Lewis Young**

Introduced and read first time: January 31, 2024

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Bay Restoration Fund – Authorized Uses – Decommission of Wastewater**
3 **Treatment Lagoon**

4 FOR the purpose of altering the authorized uses of the Bay Restoration Fund to include,
5 beginning in a certain fiscal year, certain costs related to the decommissioning of
6 certain wastewater treatment lagoons; and generally relating to authorized uses of
7 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 2023 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) 1. To award grants for up to 100% of eligible costs of projects
19 relating to planning, design, construction, and upgrade of a publicly owned wastewater
20 facility for flows up to the design capacity of the wastewater facility, as approved by the
21 Department, to achieve enhanced nutrient removal in accordance with paragraph (4) of this
22 subsection; and

23 2. Subject to paragraph (12) of this subsection, to award
24 grants for up to 50% of eligible costs of projects relating to planning, design, construction,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 and upgrade of a privately owned wastewater facility for flows up to the design capacity of
2 the wastewater facility, as approved by the Department, to achieve enhanced nutrient
3 removal in accordance with paragraph (4) of this subsection;

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

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

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

15 1. For funding the eligible costs to upgrade a wastewater
16 facility to enhanced nutrient removal at wastewater facilities with a design capacity of
17 500,000 gallons or more per day;

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (xiii) After funding any eligible costs identified under item (iv)1 and 2
18 of this paragraph, for transfers to the Clean Water Commerce Account in accordance with
19 paragraph (3) of this subsection; [and]

20 (xiv) After funding any eligible costs identified under item (iv)1 and 2
21 of this paragraph, for the transfers required under paragraph (11) of this subsection; AND

22 (XV) **IN FISCAL YEARS 2026 AND THEREAFTER, FOR 100% OF THE**
23 **COST OF:**

24 **1. DECOMMISSIONING, CONSISTENT WITH THE**
25 **DEPARTMENT'S LAND AND MATERIALS ADMINISTRATION'S GUIDELINES, A**
26 **WASTEWATER TREATMENT LAGOON THAT IS:**

27 **A. LOCATED, IN WHOLE OR IN PART, IN A FLOODPLAIN**
28 **DESIGNATED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY AS A SPECIAL**
29 **FLOOD HAZARD AREA ZONE A OR ZONE V; AND**

30 **B. NOT INTENDED FOR USE WITH A NEW WASTEWATER**
31 **TREATMENT SYSTEM; AND**

