

STATE OF MARYLAND

MARYLAND DEPARTMENT OF THE ENVIRONMENT

Robert M. Summers, Ph. D., Secretary

**BILL NO:** HB 12

**COMMITTEE:** Education, Health, and Environmental Affairs

**POSITION:** Support

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**TITLE:** Environment – Bay Restoration Fund – Authorized Uses- Local Entities

**BILL ANALYSIS:** This legislation will allow up to 10% of the Bay Restoration Fund (BRF) Septic revenue deposited annually to MDE to be allocated to County Health Departments or other delegated parties responsible for implementing the septic systems regulations for nitrogen reduction that became effective 1/1/2013. These regulations require nitrogen removal Best Available Technology (BAT) on new septic system construction, and for repairs or replacement of existing septic systems, and mandatory operation and maintenance of all BAT septic systems through the life of the system. This proposed legislation allows the BRF-Septic fund to cover a portion of local expenses related to plan review, construction inspection, and tracking of mandatory operation and maintenance of BAT septic systems.

**POSITION AND RATIONALE:** MDE supports HB12. This legislation will allocate up to 10% (up to \$1.5 million) of the MDE portion of the BRF-Septic revenue to be used for costs incurred by County Health Departments or other parties for implementing the septic systems regulations for nitrogen reduction. *This legislation will alleviate some of the financial burden on local governments for these additional duties, by providing funding for activities such as plan review, construction inspection and tracking of mandatory operation and maintenance of BAT.*

To meet the water quality goals established in the Bay TMDL, the State developed a Watershed Implementation Plan (WIP) to reduce nitrogen, phosphorous and pollution to the Bay and its tributaries by 2025. Reductions coming from agriculture, wastewater, stormwater runoff, and septic sectors were identified in the Phase I WIP submitted to EPA December 2010. The BRF is a critical funding component of several sectors.

When the BRF was created in 2004, the Septics Grant Program was a State managed Program. Effective July 1, 2010, the Program was modified to have the local County Health Departments or other parties receive grant monies from the State, and under the guidance of the State, manage the Program locally to provide grants to fund the individual BAT septic system installations.

During the 2012 Legislative Session, the BRF fee doubled, and now generates approximately \$126 million per year, with \$100 million for the Enhanced Nutrient Removal WWTP upgrade fund and \$26 million for the Septic/Cover crop fund. The BRF-Septic/Cover Crop fund revenue is split 60% to MDE for septic system upgrades with BAT and 40% to MDA for Cover Crops. MDE estimates that the number of BAT septic systems that can be funded through the BRF-Septic revenue every year increased from 600 upgrades to 1,200 with the fee doubling.

Regulations requiring nitrogen removal BAT on on-site disposal systems installed to serve new construction and for repairs or replacement of existing septic systems, effective January 1, 2013, will further increase the number of BAT installations. As system installations increase so does the need for local resources.

**FOR MORE INFORMATION,  
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