

STATE OF MARYLAND

MARYLAND DEPARTMENT OF THE ENVIRONMENT

Robert M. Summers, Ph. D., Secretary

BILL NO: SB101

COMMITTEE: Education, Health, and Environmental Affairs

POSITION: Support

TITLE: Environment – Drinking Water Revolving Loan Fund – Use of Funds

BILL ANALYSIS: This bill expands the authorized uses of the Maryland Drinking Water Revolving Loan Fund to provide all types of financial assistance, as authorized or required by federal law.

POSITION AND RATIONALE: MDE supports SB101. The legislation authorizes MDE’s Water Quality Financing Administration to provide additional subsidies in the form of grants, in addition to other forms of financial assistance for drinking water capital projects under the Maryland Drinking Water Revolving Loan Fund. If this change does not occur the State may not be able to comply with the federal statutory requirements to utilize the \$13 million per year in federal funds appropriated to Maryland.

Over the last several years, federal law authorizing capitalization grants to States has required different forms of financing such as: loans, grants, loan forgiveness, “green” grants, etc. This legislation will authorize the State Program, the Maryland Drinking Water Revolving Loan Fund, to use federal funds to provide all forms of financial assistance including grants, consistent with federal law. Similar authority is already available for the Maryland Water Quality Revolving Loan Fund in Section 9-1605 of the Environment Article.

The Drinking Water Revolving Loan Fund makes below market rate loans for drinking water capital projects pursuant to the authority derived from Section 1452 of the Federal Safe Drinking Water Act. Section 9-1605.1 of the Environment Article, which governs the use of the Maryland Drinking Water Revolving Loan Fund, presently, does not permit the funds to be used for grants (except for the one-time federal stimulus funding).

FOR MORE INFORMATION,
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