



MARYLAND DEPARTMENT OF THE ENVIRONMENT

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March 2, 2010

The Honorable Joan Carter Conway, Chair
Members, Senate Education, Health and Environmental Affairs Committee
Miller Senate Office Building, 2 West
11 Bladen Street
Annapolis, MD 21401-1912

Re: Senate Bill 686: Watershed Protection and Restoration Act

Dear Chairperson Conway & Committee Members:

Thank you for the opportunity to provide some information regarding SB 686. Addressing the impact of stormwater discharges from urban and suburban developed areas is a critical component of Maryland's effort to restore the Chesapeake Bay and its tributaries. This will be accomplished by increasing the number of acres of developed lands with stormwater controls, implementation of Environmental Site Design on new development, and through new permits issued to counties, municipalities and the development industry.

The Stormwater Management Act of 2007 required that the Department of the Environment evaluate options for a stormwater management fee system and an appropriate schedule of fees for enforcement of stormwater management in Maryland. The Department submitted its Stormwater Management Fees Report to the General Assembly in December 2007.

The State has recognized the need to establish dedicated fund sources for stormwater since the early 1990's. In 1992, the General Assembly enacted enabling legislation that allows localities to develop a "system of charges" to finance stormwater programs. To date three local jurisdictions have developed a dedicated stormwater user charge. The City of Tacoma Park implemented a Stormwater Utility, Montgomery County developed a "Water Quality Protection Charge" that appears on individual property tax bills and pays for the structural maintenance of stormwater facilities, and most recently, the City of Rockville implemented its own Stormwater Management Utility Fee. Prince George's County uses an Ad-Valorem Tax that provides funding for many of the County's environmental programs and capital improvements, however this fund is not specifically dedicated toward water quality programs.



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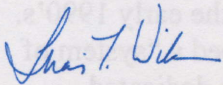
MDE continues to support the development of a "system of charges" by local governments. MDE offers financial assistance through low interest loans involving the State Revolving Loan Fund with a delayed payment plan contingent upon starting a "system of charges." Technical assistance is also provided through informational papers such as "Financing Stormwater Management: The Utility Approach", "Potential Revenues from Stormwater Utilities", "Model Ordinances for Stormwater Utility", to assist in the development of a regional or watershed Stormwater Utility.

As the Chesapeake Bay TMDL is finalized this year, pollution reduction requirements for stormwater and all other sources will become formalized in the State's Watershed Implementation Plan, which will identify specific targets for nutrient reductions for every county and watershed segment. For instance, Maryland's 2-year milestone commitments for the Chesapeake Bay Restoration effort include retrofitting 90,000 acres of developed land with new stormwater controls. This goal, which is being accomplished primarily through the efforts of local governments that are implementing mandated watershed restoration plans as required in their NPDES stormwater permits, will ultimately require hundreds of millions of dollars in capital investment.

Local stormwater utility fees will be an important step in the development of a sustainable funding model for the pollution controls that will be needed to meet the Bay TMDL. The General Assembly recognized this need when it passed the Chesapeake Bay 2010 Trust Fund two years ago. The federal government has likewise recognized this need in its consideration of S.1816, The Chesapeake Clean Water and Ecosystem Restoration Act of 2009, sponsored by Senator Cardin, which may provide as much as \$1.5 billion dollars for non-point source pollution control. But both the State and federal funding will require significant levels of local matching funds and it will take efforts on all fronts to develop the required funding for stormwater programs throughout the State.

Thank you allowing us to provide information on Senate Bill 686. If you have any questions regarding this issue, please do not hesitate to contact me at 410-537-3084 or Lisa Nissley, MDE's Legislative Liaison, at 410-260-6301 or lnissley@mde.state.md.us.

Sincerely,



Shari T. Wilson
Secretary

cc: The Honorable Jamie Raskin
Jay Sakai, Director, MDE Water Management Administration

