

**Bay Restoration Fee Frequently Asked Questions
Onsite Sewage Disposal Systems (Septic Systems/Holding Tanks)
Septic System Owners & County Governments**

1. What is the effective date for the Bay Restoration Fund (BRF) Fee for users of Septic Systems or Holding Tanks?

The BRF Septic Fee of \$30 per year per user (each household or business) of a Septic System or Holding Tank is effective October 1, 2005 for customers that do not receive a water service bill. For users that receive a water bill, the fee of \$2.50 per month is effective January 1, 2005 and will be included with the water bill.

2. Who will collect the Bay Restoration Fee from private Well and Septic/Holding tank users?

The County Government in which the Septic System/Holding Tank is located is responsible for the collection of the BRF Septic Fee, unless the user receives a bill for water service.

3. Can the County send out BRF Septic Fee bills prior to 10/1/05 (say with the July 2005 property tax bill)?

Yes, the Counties may decide to send out the BRF bills prior to 10/1/05 for administrative convenience and timely fee collection, as long as the bill clearly states that the BRF Septic fee is not due and payable until 10/1/05. If a County chooses to send out the BRF Septic fee bill with the property tax bill in July 2005, the users should be provided an opportunity to pay the fee separately from the first semi-annual property tax bill, and the County should allow a reasonable time for collecting this fee after 10/1/05 before pursuing late payment collection actions. (Also see Q4 - billing method)

4. What method and frequency will the County use for collection of the BRF Septic Fee?

The law requires that the Bay Restoration Fund Advisory Committee, in consultation with the governing body of each County shall make recommendations on the best method of fee collection from Septic System/Holding Tank users that do not receive a water bill. The Advisory Committee is recommending the following options for Counties:

- a. **Option 1:** The County, with their July 2005 property tax, bills each “Septic” user a total of \$22.50 for the period 10/1/05 through 6/30/06 (Three calendar quarters). For users that make one annual property tax payments, a separate BRF fee payment voucher should be included for a payment due date of 10/1/05, or alternatively, the BRF fee should be collected through a “one-time special” billing. For users that make semi-annual property tax payments, the BRF fee should be listed separately and included with the “second semi-annual property tax voucher” or alternatively, should be collected through a “one-time special” billing. Thereafter, the BRF fee of \$30 per year per user should be included with the property tax bill to cover each fiscal year (July through June).
- b. **Option 2:** The County establishes a “new” billing system independent from the property tax billing system/cycle, with the BRF fee collected starting 10/1/05. The new billing system may cover the period say 10/1/05 – 9/30/06 as one billing year, such that the BRF fee billed is no more than \$30 per year per user.

5. Can the fee be spread over two payments?

Yes. The BRF Advisory committee recommends that the frequency of BRF Septic fee collection be no more than two times per year.

6. Has the issue of billing users of wastewater treatment plants on an “EDU basis” and billing septic systems owners on a “per user basis” been addressed?

Yes. Any septic system with an average daily flow greater than 5,000 gallons per day is treated as a wastewater treatment plant (WWTP) because it operates under a MDE groundwater discharge permit, and its users are subject to the BRF (WWTP) fee. Septic systems generally treat smaller flows and will be subject to BRF septic fee of \$30 per year per user.

7. How should the users be billed when a property is not occupied for a complete year?

If a property has a septic tank and is billed property tax as an improved (not abandoned) property, the full BRF septic fee should be collected, irrespective of time period not occupied. For a new home/business on individual well and septic tank, the effective date for the BRF septic fee is the date (but no earlier than 10/1/05) the property is identified on the County property tax records.

8. How should the users be billed when a property had more than one owner during the billing period?

The County will collect the BRF fee from the owner of record and the buyer shall pay the seller at “settlement” similar to the how Home Owners Association dues are treated.

9. How should the users be billed when a property has multiple users connected to a single septic system?

The BRF fee is \$30 per year per “user” of the Septic System or Holding Tank. Consistent with the legislative intent, the State is defining a User as “each household or business” connected to a Septic/Holding Tank.

10. Is there a guarantee of cost recovery of administrative costs by the County?

No. The State Comptroller’s Office will reimburse up to 5% of fees deposited for reasonable incremental administrative costs associated with the BRF fee billing and collection. Any unrecovered administrative costs can be carried forward and recovered over subsequent quarters/years.

11. How should a County bill trailer parks or multi-user facilities that are not water/sewer billing authorities?

In cases where the trailer park owner is identified as a single (property tax) account in the County records, the County will need to determine, in coordinate with the trailer park owner, the number of households/businesses (i.e., users) on septic systems within a trailer park community, and determine how best to bill them the BRF fee. In cases where the County property tax or other records identify individual accounts with users on septic systems within a trailer park, the County could directly bill each user the BRF Septic Fee.

12. How will multiple parcels on one tax record be handled?

The County will need to determine the number of septic system users for each tax record and base the BRF fee accordingly.

13. Can users be exempted from paying the BRF fee and who approves the exemptions?

Yes. The law allows, subject to approval by the Maryland Department of the Environment, the local billing authority may establish a program to exempt certain “residential” users that demonstrate substantial financial hardship. For “Guidance for billing authorities to establish programs for exempting certain residential users from paying the BRF fee because of substantial financial hardship” visit MDE website at www.mde.state.md.us

14. How are funds to be accounted for and paid to the State Comptrollers Office and when?

The law requires the County/billing authority establish a “segregated account” for the deposit of funds collected. For record keeping purposes, the accounting system should be set up to identify the BRF fee billed and collected. The BRF Fee is due to the State Comptroller on or before the 20th day of the month that follows the calendar quarter in which the Fee is collected. The State Comptroller’s Office will provide Counties the Maryland Bay Restoration Fee Report Form (BRF-1) with instructions. Note: When funds are deposited with the State Comptroller’s Office, the source of BRF Septic Fees will need to be identified on line-2 as fee from Users of Septic/Holding Tank Systems.

15. As a billing authority for the collection of the Bay Restoration Fee, do I deposit the Fee to the State Comptroller on an accrual or cash basis?

It’s the County’s choice. You may deposit the Fee to the State Comptroller on either an “Accrual” basis (based on anticipated payments) or on a “Cash” basis (based on actual payments received).

16. How should a County handle BRF fee non-payments, late payments, or partial payments from septic tank users?

The legislation allows the County to use all of its existing procedures and authority in order to enforce the collection of the Bay Restoration Fee. The legislation also allows the State Comptroller to adopt regulations necessary to administer, collect and enforce the Restoration Fee. Partial payments should be deposited to the State Comptroller’s Office on a pro-rata basis. Any penalties and late fees may be retained by the County.

17. How does a BRF payment made in error get refunded to the user?

Any request for a refund of a BRF fee payment shall be filed with the County/Billing authority to which the payment was made and not with the Comptroller. The County/Billing Authority is responsible for refunding a payment made in error to the user. The County/Billing Authority will account for the refund in the separate BRF account and deduct that amount from the next BRF fee payment sent to the Comptroller.

For Additional Information
visit the
Maryland Department of the Environment
web site at: www.mde.state.md.us
or call
410-537-3567 (Maryland Department of the Environment)
410-260-7980 (State Comptroller’s Office)