



House Bill 90

On-Site Sewage Disposal Systems – Operation and Maintenance Costs – Low-Income Homeowners

MACo Position: **SUPPORT**
WITH AMENDMENTS

Date: February 3, 2016

To: Environment and Transportation Committee
From: Leslie Knapp, Jr.
& Michael J. Sanderson

The Maryland Association of Counties (MACo) **SUPPORTS HB 90 WITH AMENDMENTS**. While supportive of the bill's underlying goals, MACo's amendments would protect local autonomy and maintain some level of stability within the septic system account of the Bay Restoration Fund (BRF).

For low-income homeowners who live within the Chesapeake and Atlantic Coast Bay Critical Areas and have Best Available Technology (BAT) septic systems, HB 90 requires the Maryland Department of the Environment (MDE) to pay up to 50% of the cost of a 3-year operation and maintenance (O&M) contract with monies from the BRF.

Either MDE or a local government shall determine an applicant's eligibility and the amount of assistance MDE must provide based on the average cost of a 3-year O&M contract. The bill defines "low-income homeowner" as having income that is 60% or less of the area median income.

MACo has no issue with requiring the use of a BAT septic system within a critical area as their nitrogen removal effectiveness has been shown to be highest there. MACo is also supportive of providing O&M assistance to low income homeowners as most BAT systems need ongoing maintenance in order to remain effective.

However, MACo is concerned with two of the bill's provisions and would offer amendments to address our concerns. First, MACo believes that it should be a local decision whether the local government reviews potential applications under the bill – this "Delegation" should not solely be at the Department's discretion. Second, MACo believes that some cap or limit needs to be placed on the amount of BRF funding provided for this purpose so that other allowed

uses of the BRF septic accounts remain viable. As the bill's fiscal note indicates, the total amount of grants MDE is able to issue under the account will likely decrease, potentially dramatically, without some protection as our amendment suggests.

In conclusion, HB 90 seeks to address important issues related to BAT systems located within a critical area. However, MACo feels that the issues of delegation and funding viability must also be addressed. Accordingly, MACo urges the Committee to give HB 90 a report of **FAVORABLE WITH AMENDMENTS.**

MACo PROPOSED AMENDMENTS TO HB 90

AMENDMENT NO. 1

On page 2, in line 33, after "OR" insert ", SUBJECT TO APPROVAL BY A LOCAL GOVERNMENT,"

AMENDMENT NO. 2

On page 2, in line 29, strike "The" and substitute "(I) SUBJECT TO SUBPARAGRAPH (II) OF THIS SECTION, THE;" and after line 32, insert:

"(II) THE DEPARTMENT SHALL ENSURE THAT THE ASSISTANCE PROVIDED IN THIS SUBSECTION DOES SIGNIFICANTLY REDUCE THE ABILITY OF OTHER ELIGIBLE PROJECTS SUBJECT TO FUNDING UNDER THIS SECTION TO SEEK AND RECEIVE FUNDING."