



## House Bill 361

*Bay Restoration Fund – Fee Exemption, Disbursements, and Financial Assistance  
(Septic Stewardship Act of 2018)*

MACo Position: **SUPPORT**

To: Environment and Transportation Committee

**WITH AMENDMENTS**

Date: February 23, 2018

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **SUPPORTS** HB 361 **WITH AMENDMENTS**. This Administration bill would make several alterations to the Bay Restoration Fund (BRF) and laws governing the use of best available technology for nitrogen removal (BAT) septic systems. MACo urges the Committee to reject a component of the bill shifting funding away from septic system upgrades and to cover crops.

HB 361 has three primary components. First, the bill exempts a septic system owner from paying the BRF if: (1) the owner has a BAT septic system; and (2) the owner did not receive a state or federal grant or income tax subtraction modification for installing the BAT septic system. The exemption could apply to about 3,800 BAT systems, resulting in an annual decrease of \$230,000 in BRF fees. MACo has no issue with this provision given the relatively small fiscal cost and equity principles involved.

Second, the bill would allow BRF septic system account money to be used by eligible homeowners for the reasonable cost of pumping out a septic system once every 5 years. In order to be eligible, the homeowner must reside in a local jurisdiction that has developed a “septic stewardship plan.” MACo supports the potential flexibility this voluntary program could provide. It is MACo’s understanding that counties would be able to continue to prioritize connecting failing septic systems to public sewer and upgrading systems to BAT over pumpouts.

Finally, the bill would alter the funding distribution ratios between septic systems and cover crops. The bill would change the current 60% septic system/40% cover crop allocation to a 50/50 split. MACo is opposed to this change, as it would reduce available BRF septic system monies by \$2.97 million annually. The BRF septic system account is one of the only State funding sources to address the needs of the septic system sector and this funding should not be reduced. Consequently, MACo supports an amendment to delete the bill’s proposed 50/50 split and retain the 60/40 allocation under current law.

HB 361 provides equitable relief for property owners who installed BAT septic systems without state or federal assistance and creates a new tool that counties can use to address septic system pollution. However, the bill should be amended to preserve the current (and needed) funding for the BRF septic system account. Accordingly, MACo urges the Committee to give HB 361 a report of **FAVORABLE WITH AMENDMENTS**.

**MACo Proposed Amendments to HB 361**

On page 4, in line 2, strike the first bracket; and strike "] 50%".

On page 5, in line 14, strike the first bracket; and strike "] 50%".