



House Bill 384

Bay Restoration Fund – Eligible Costs - Expansion

MACo Position: **SUPPORT**

To: Environment & Transportation Committee

Date: February 15, 2017

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **SUPPORTS** HB 384. The bill would expand the allowed uses of the Bay Restoration Fund's (BRF) wastewater treatment plant account to include plant upgrades to biological nutrient removal (BNR).

When the BRF was created, one of the Fund's primary purposes was to upgrade major wastewater treatment plants to enhanced nutrient removal (ENR) technology – the current best technology for reducing nitrogen and phosphorus.¹ Now that Maryland's major plants have been upgraded to ENR, BRF monies are targeting major-minor and minor plants for similar upgrades.

However, some smaller plants lack BNR technology – the first level of nutrient removal – and the commensurate resources to make the upgrade to BNR in order to qualify for BRF assistance for ENR upgrades. Allowing BRF monies to be used for BNR as well as ENR upgrades makes sense now that the major plants have been upgraded.

Additionally, HB 384 is consistent with Governor Hogan's FY 2018 budget proposal, as the Budget Reconciliation and Financing Act of 2017 authorizes the Maryland Department of the Environment to use up to \$60 million in both BRF monies and revenue bond proceeds for BNR upgrades for FY 2017 and FY 2018.² This reasonable policy should be codified through HB 384 to ensure BNR upgrade is given assistance past FY 2018.

HB 384 increases the ability of smaller wastewater treatment plants to use BRF monies, provides an additional cost-effective tool for reducing nitrogen and phosphorus water pollution, and is consistent with current budgetary priorities. Accordingly, MACo requests the Committee give HB 384 a **FAVORABLE** report.

¹ SB 320 of 2004

² HB 152/SB 172 of 2017