



Senate Bill 101

Environment – Drinking Water Revolving Loan Fund – Use of Funds

MACo Position: **SUPPORT**

To: Environmental Matters Committee

Date: March 19, 2014

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **SUPPORTS** Senate Bill 101. This bill preserves the ability of the Maryland Drinking Water Revolving Loan Fund (Revolving Loan Fund) to accept federal monies.

SB 101 would clarify that the monies from the Revolving Loan Fund may be used to provide financial assistance in the form of grants, negative interest loans, forgiveness of principal, subsidized interest rates, and any other forms of financial assistance as authorized or required by: (1) § 302 of the federal Safe Drinking Water Act; (2) Title VI of the federal Water Pollution Control Act; or (3) other federal appropriations or authorization acts.

The Revolving Loan Fund is composed of revolving special funds, general obligation bond funding, and federal funds. The purpose of the Revolving Loan Fund is to provide low-interest loans for drinking water projects and upgrades. Many of these projects are undertaken by local governments.

Without the clarifications proposed by SB 101, the ability of the Revolving Loan Fund to accept federal funding for the benefit of the State and local governments would be compromised. While the FY 2014 federal funding total is not yet available, the Revolving Loan Fund received \$13.06 million in federal funds in FY 2013 and the Maryland Department of the Environment anticipates receiving a commensurate amount for FY 2014.

SB 101 would allow the Revolving Loan Fund to continue to receive federal funding that benefits local government drinking water projects. Accordingly, MACo recommends the Committee give SB 101 a **FAVORABLE** report.