

STATE OF MARYLAND

MARYLAND DEPARTMENT OF THE ENVIRONMENT

Shari T. Wilson, Secretary

BILL NO: HOUSE BILL 1417

COMMITTEE: Environmental Matters

POSITION: Support

TITLE: Water Quality and Drinking Water Quality Revolving Loan Funds - Use of Funds

BILL ANALYSIS: This bill authorizes the use of the Maryland Water Quality Revolving Loan Fund and the Maryland Drinking Water Revolving Loan Fund to provide assistance in the form of grants, negative interest loans, forgiveness of principal, subsidized interest rates, and any other form of financial assistance as authorized or required by the American Recovery and Reinvestment Act of 2009 (ARRA or stimulus); and making the Act an emergency measure.

POSITION AND RATIONALE: MDE supports HB 1417. Under the provisions of the federal stimulus bill signed by the President, Maryland expects to receive approximately \$96 million for wastewater infrastructure projects and \$27 million for drinking water infrastructure projects to be distributed under our existing State Revolving Loan program. Under the terms of the legislation, no less than 50% of the federal stimulus funds for water infrastructure projects must be distributed in the form of grants, negative interest loans or loans forgiving principal.

Sections 9-1605, 9-1605.1 and 9-1606 of the Environment Article, which govern uses of the State's Water Quality and Drinking Water Revolving Loan Funds, presently do not permit the funds to be used for grants, principal forgiveness or negative interest loans, except in the case of the Drinking Water Revolving Loan Fund for certain loans. This bill amends those sections of the Environment Article to permit these additional uses and will enable the State to use the stimulus funds allocated under the ARRA.

FOR MORE INFORMATION,
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