

(h) (1) With regard to the funds collected under subsection (b)(1)(i), from users of an onsite sewage disposal system or holding tank that receive a water bill, (ii), and (iii) of this section, beginning in fiscal year 2006, the Comptroller shall:

(i) Establish a separate account within the Bay Restoration Fund;
and

(ii) Disburse the funds as provided under paragraph (2) of this subsection.

(2) The Comptroller shall:

(i) Deposit 60% of the funds in the separate account to be used for:

1. ~~With~~ SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, WITH priority FIRST given to failing systems and holding tanks located in the Chesapeake and Atlantic Coastal Bays Critical Area AND THEN TO FAILING SYSTEMS THAT THE DEPARTMENT DETERMINES ARE A THREAT TO PUBLIC HEALTH OR WATER QUALITY, grants or loans for up to 100% of:

A. The costs attributable to upgrading an onsite sewage disposal system to the best available technology for the removal of nitrogen; [or]

B. The cost difference between a conventional onsite sewage disposal system and a system that utilizes the best available technology for the removal of nitrogen; [and] OR

C. ~~THE COST OF REPAIRING OR REPLACING A FAILING ONSITE SEWAGE DISPOSAL SYSTEM, WITH PRIORITY GIVEN TO LOW INCOME USERS AS DEFINED BY THE DEPARTMENT WITH A SYSTEM THAT USES THE BEST AVAILABLE TECHNOLOGY FOR NITROGEN REMOVAL OR ANOTHER CONVENTIONAL WASTEWATER TREATMENT SYSTEM; AND~~

2. The reasonable costs of the Department, not to exceed 8% of the funds deposited into the separate account, to:

A. Implement an education, outreach, and upgrade program to advise owners of onsite sewage disposal systems and holding tanks on the proper maintenance of the systems and tanks and the availability of grants and loans under item 1 of this ~~subparagraph~~ ITEM;

B. Review and approve the design and construction of onsite sewage disposal system or holding tank upgrades;

C. Issue grants or loans as provided under ~~subsubparagraph 1 of this subparagraph~~ ITEM 1 OF THIS ITEM; and

D. Provide technical support for owners of upgraded onsite sewage disposal systems or holding tanks to operate and maintain the upgraded systems; and