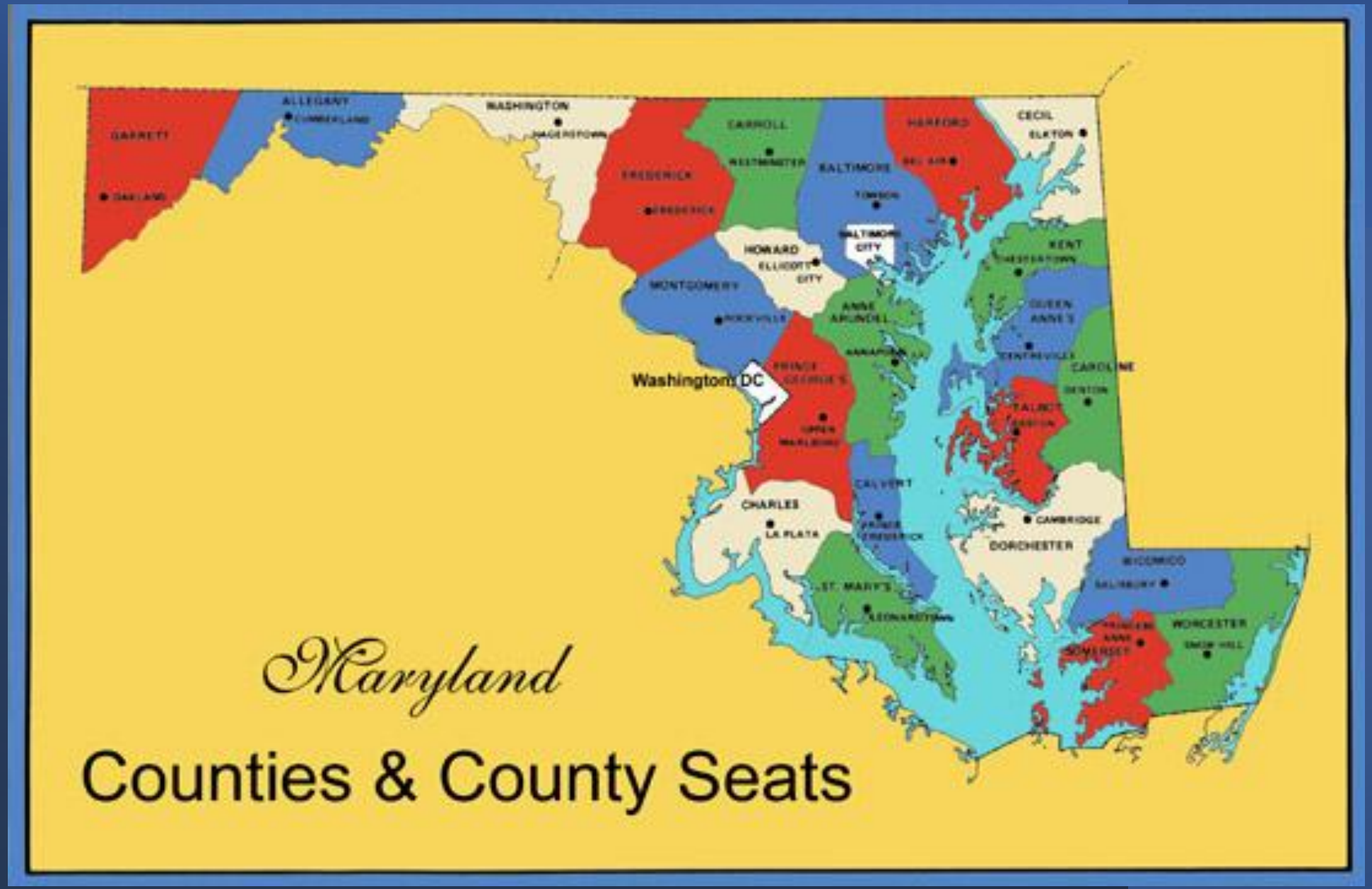
Chesapeake Bay and Water Resources
Policy Committee
November 20, 2026

2027 MD and VA Legislative Preview

Lisa M. Ochsenhirt

AQUALAW


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BALTIMORE
BALTIMORE CITY
HOWARD
MONTGOMERY
ANNE ARUNDEL
KENT
QUEEN ANNE'S
CAROLINE
TALBOT
PRINCE GEORGE'S
Washington DC
CALVERT
CHARLES
DORCHESTER
CAMBRIDGE
ST. MARY'S
WICOMICO
WORCESTER
SOMERSET
Maryland
Counties & County Seats

2027 General Assembly Session (450th Session)

- **Convenes Wed., Jan. 13, 2027**
  - *Sine die* is on Mon., Apr. 12, 2027

- **Other Dates of Interest**
  - Jan. 20, 2027: Inauguration Day for Governor and Lieutenant Governor
  - Jan. 22, 2027: Deadline for Governor to Introduce Budget Bills
  - Feb. 8, 2027: Senate Bill Introduction Deadline
  - Feb. 12, 2027: House Bill Introduction Deadline
  - March 8, 2027: Cross-Over
  - June 1, 2027: Deadline for Governor's Action on Bills

Leadership Changes

- **In the Senate**
  - Appointments Made by Maryland Senate President Bill Ferguson
  - Senator Brian Feldman replaces Senator Nancy King as Majority Leader
  - Senator Feldman also chairing Senate Rules and Operations Committee
  - Senator Feldman is also the Senate's Economic Development Chief
  - This changes the composition of Education, Energy, and the Environment
    - Senator Feldman was the Chair, will be replaced by Senator Dawn Gile (Anne Arundel Co.)
    - Senator Ben Brooks (Baltimore Co.) will serve as Vice-Chair

- **At MDE**
  - Secretary McIlwain is retiring; Dept. Sec. Ortiz takes over as Acting Sec. on Jan. 1, 2027, will be nominated by Gov. Moore for permanent post during 2027 Session

Budget Deficit Looms

- **For FY 2028**
  - Between $2.6 - $3 Billion
  - State agencies and universities being asked to reduce budgets by 3%
  - Two dozen Cabinet-level agencies asked to trim by 10%
  - Significant part of deficit relates to Blueprint for Maryland's Future (approx. $1.5 B)

- **Significant Impacts on 2027 Legislative Session**
  - Anything with a price tag for consumers will be scrutinized
  - Also, concerns that counties and municipalities will see cost shifting

2030 Partial Fee Sunset & The Future of the Bay Restoration Fund

- **Discussions Are Underway**
  - No known legislative text circulating (yet)
- **Discussed at Oct. 8 BRF Advisory Committee**
  - See slides below
- **MDE Strongly Supports Current BRF Fee Levels**
  - Some GA Members also strongly support
  - CBF on record as supporting potential increase in fees
  - Other stakeholders?

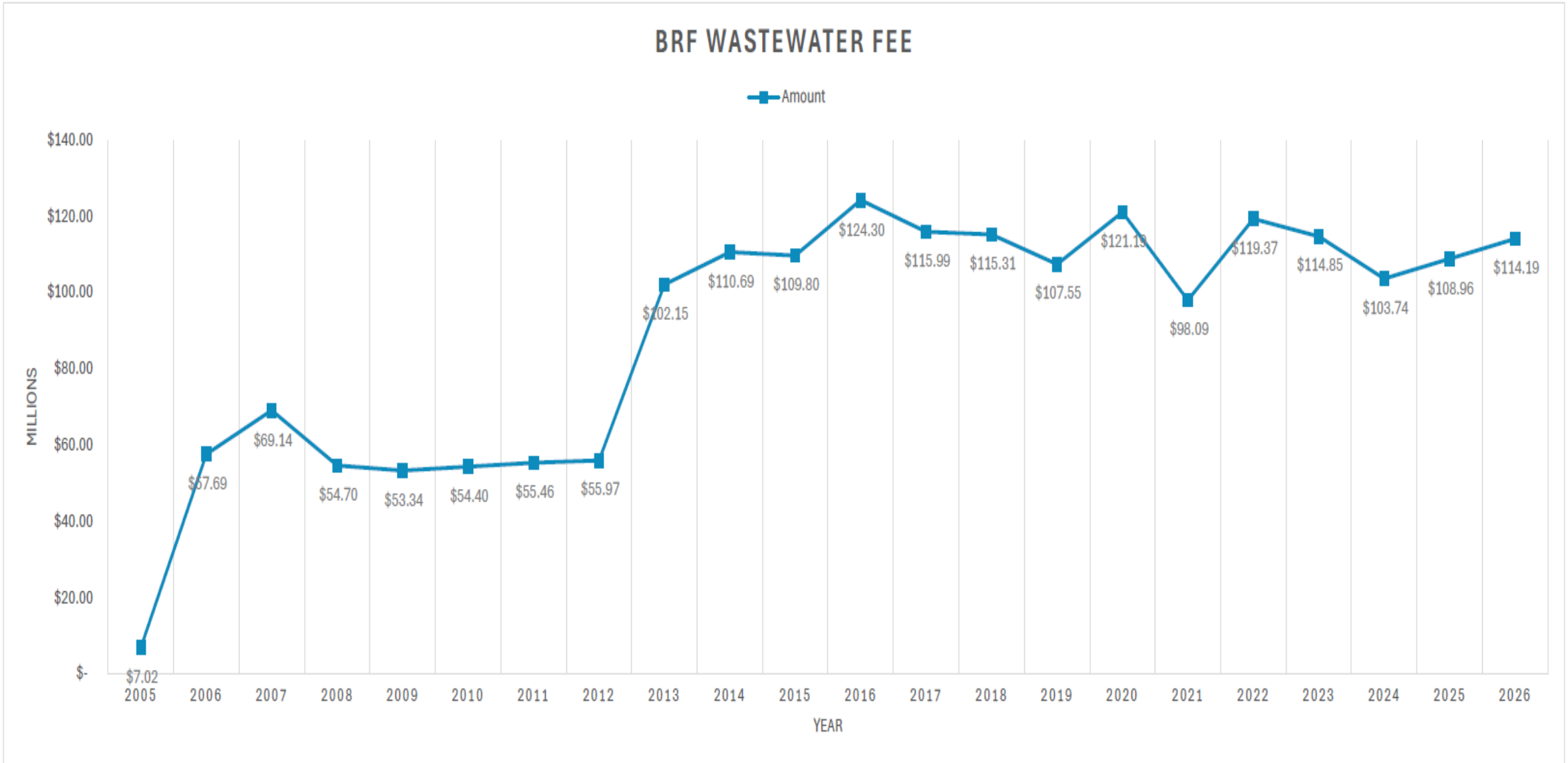
Comptroller of Maryland
Distribution of Bay Restoration Fee WW
Fiscal Year 2027

BRF WW Summary

Year		Amount
2005	$	7,022,667.18
2006	$	57,686,674.75
2007	$	69,141,379.76
2008	$	54,695,910.00
2009	$	53,339,463.89
2010	$	54,398,088.37
2011	$	55,461,809.59
2012	$	55,971,051.91
2013	$	102,145,356.32
2014	$	110,688,785.91
2015	$	109,796,411.58
2016	$	124,301,135.01
2017	$	115,989,051.47
2018	$	115,308,016.48
2019	$	107,545,498.54
2020	$	121,185,706.78
2021	$	98,087,149.34
2022	$	119,371,455.88
2023	$	114,847,299.86
2024	$	103,736,978.66
2025	$	108,960,919.15
2026	$	114,192,783.55

FY 2027 Distribution		Amount
August 2026		
September 2026		
October 2026		
November 2026		
December 2026		
January 2027		
February 2027		
March 2027		
April 2027		
May 2027		
June 2027		
FM13		
FM13		
Total FY 2027	**$**	**-**

Program Grand Total	**$**	**1,973,873,593.98**


BRF WASTEWATER FEE
Amount
$140.00
$120.00
$100.00
$80.00
$60.00
$40.00
$20.00
$-
MILLIONS
$7.02
$57.69
$69.14
$54.70
$53.34
$54.40
$55.46
$55.97
$102.15
$110.69
$109.80
$124.30
$115.99
$115.31
$107.55
$121.19
$98.09
$119.37
$114.85
$103.74
$108.96
$114.19
2005
2006
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2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
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2023
2024
2025
2026
YEAR

Shared per Committee Chairman Request

The Bay Restoration Fund Advisory Committee
Discussion on Long Term Outlook for the Bay Restoration Fund

Possible Impacts of the Fee Increase Sunset (Effective July 1, 2030):

- ENR Refinement would not be possible, and without further upgrades, major WWTPs' nutrient reduction performance can regress back to the level before the original upgrades. In CY25 the upgraded WWTPs achieved approximately 10.79 million pounds in nitrogen reduction and 1.14 million pounds in phosphorus reduction. These reductions are based on the differences between the loading discharged by each WWTP before and after the upgrade. Without ENR Refinement most of these loads could be added back to the Bay.
- Chapter 13 Bay Restoration Fund Implementation Code can be found here (copy and paste to browser):

  https://regs.maryland.gov/us/md/exec/comar/26.03.13

Current BRF Implementation Challenges:

- Unlike the septic program, there is no provision in the BRF law to allow for the connection of a failing WWTP to another WWTP achieving or under construction to achieve ENR. Thus far, we were allowed to connect Triumph and Mayo WWTPs because they met the following conditions:
  1) The plants were publicly owned, and the connection was evaluated against the upgrade and found to be more cost-effective method to achieve ENR at the publicly owned facility.
  2) The receiving WWTP was fully operational with ENR, had enough capacity, and can accept the additional flow with no additional upgrade.
- The current system does not maximize leverage of available funding sources (local, state, federal funds)
- Current language makes ENR the ceiling, but modern systems that can go beyond ENR may be desirable in the future, both for nutrient reductions when watersheds are load-limited and for removing new and emerging contaminants of concern
- It is difficult to obtain data on septic systems (where they are placed, history of maintenance, etc.).
- Smart Growth and Priority Funding Areas policies often work against and cause delay to projects looking to connect existing communities to public sewer.

Proposed Improvements and Solutions:

- **Top Priority :** Remove sunset, **index fee to inflation**
  - Consider related change to Clean Water Commerce Account: current law requires $20M annually
- Re-work some funding percentages to encourage leveraging of other funds and maximize

outcomes.

- Allow funding for projects that go beyond ENR
- Add language to allow the Department to use a percentage of their "reasonable costs" provision to establish a septic database
- Promote and report cost effectiveness of projects from all sectors.
- Provide sufficient funding for MDE to analyze the impact of BRF funded projects on Bay health and support additional research for projects that improve the Bay.
- Allow for innovative approaches to nutrient reduction to be funded and piloted. This should require matching funds and only be a small percentage of the BRF.
- Promote multi-species cover crops to reduce mono-culture for the Agricultural program.
- Allow septic to sewer connections to apply load reductions to the treatment plant that they are connected to rather than to be limited to the subwatershed that they are removed from. This will incentivize utilities to make more septic connections.

Legislative Proposals:

Secondary MCLs: MDE Response to HB 1197 / SB 9490 (2026)

Requirements for MDE:

- Develop Action Plan for enforcement of standards for secondary MCLs including discoloration, taste, and odor
- Include review of actions in AL, AK, CA, DE, FL, GA, HI, ME
- Work with Stakeholders, Incl. Owners/Operators
- Report back to GA on findings and recommendations by Dec. 1, 2026

Report May Trigger 2027 Legislation

Potential Legionella-Related Legislation

- **HB 204/SB 264 (Allen/Brooks)**
  - Introduced during 2026 Session
  - Likely to see a similar bill in 2027

- **Supported by Alliance to Prevent Legionnaires' Disease**
  - Membership (from website): The APDL "is a nonprofit coalition of health advocates, health providers, building engineers, scientists, water treatment experts and manufacturers."
  - From website: How to Prevent Legionnaires' Disease
    - Stop legionella bacteria from entering the public water supply
    - Replace aging public water infrastructure systems to reduce microbial risks
    - Invest in research to better understand and prevent all cases of Legionnaires' disease

- **Bill Would Have Been Very Expensive**
  - MDE estimated FY 27 Costs: 9 new positions; total cost of $613,960
  - MDH estimated FY 27 Costs: 5 new positions; total cost of $1.3 M
  - Also 198 water systems would have needed to install new disinfection treatment (hundreds of millions)

Potential $10/Yr Residential Water Bill Surcharge To Fund MDE Operations

- **MDE's Concern**
  - Federal government funding support for staff is in jeopardy
  - IIJA (BIL) dollars were helpful (Agency used a portion for administration) but have run their course

- **In Response, MDE May Propose a 2027 Bill**
  - Would charge residential customers with a separate water bill a $10/year fee
  - Patterned after the BRF in concept
  - Funding would support MDE Water Supply staffing
  - Any additional funds would provide support to individual small PWS systems (e.g., systems that serve less than 10,000 people)

Wipes

- **Non-Flushable Wipes and Other Products Harm Sewer Systems**
  - Block pipes, clog pumps, cause overflows

- **Interest in a Regional Solution**
  - Legislation in VA and MD to mirror Washington D.C. law in 2016
  - D.C. law includes a performance standard
    - Flushable wipes must disperse in a short period of time after flushing, cannot be buoyant, cannot contain plastic or other material that does not easily degrade
  - D.C. law also includes a labeling requirement
    - After 2018, a manufacturer of a nonwoven disposable product for sale in D.C. cannot label the product as safe to flush, etc. unless the product is flushable
    - After 2018, a manufacturer of a non-flushable product must label the product as non-flushable

Charleston Water
@ChasWaterSystem

Then we sent divers 80-90 feet deep into the wet well/raw sewage to search in complete darkness with their hands to find and identify the obstruction. As we expected, they came up with these large masses of wipes in their first two loads, with more to come.



Data Centers (40-50 Operational in MD)

- **Governor Moore Issued Executive Order on Sept. 23, 2026**
  - Created MD Data Center Accountability Task Force to review larger projects (>25 MW)

- **Likely Legislation to Create 2-3 Year Moratorium on Development**
  - Democratic leadership has come out strongly and publicly on issue
  - From Delegate Linda Foley: “I do think we need a moratorium so we can look at these regulations before we start building data centers in Maryland”

- **Action at County Level as Well**
  - At least 15 counties have frozen development (14 temporarily, 1 permanently (Harford))
  - At least 3 cities have as well (Baltimore, Frederick, Salisbury)

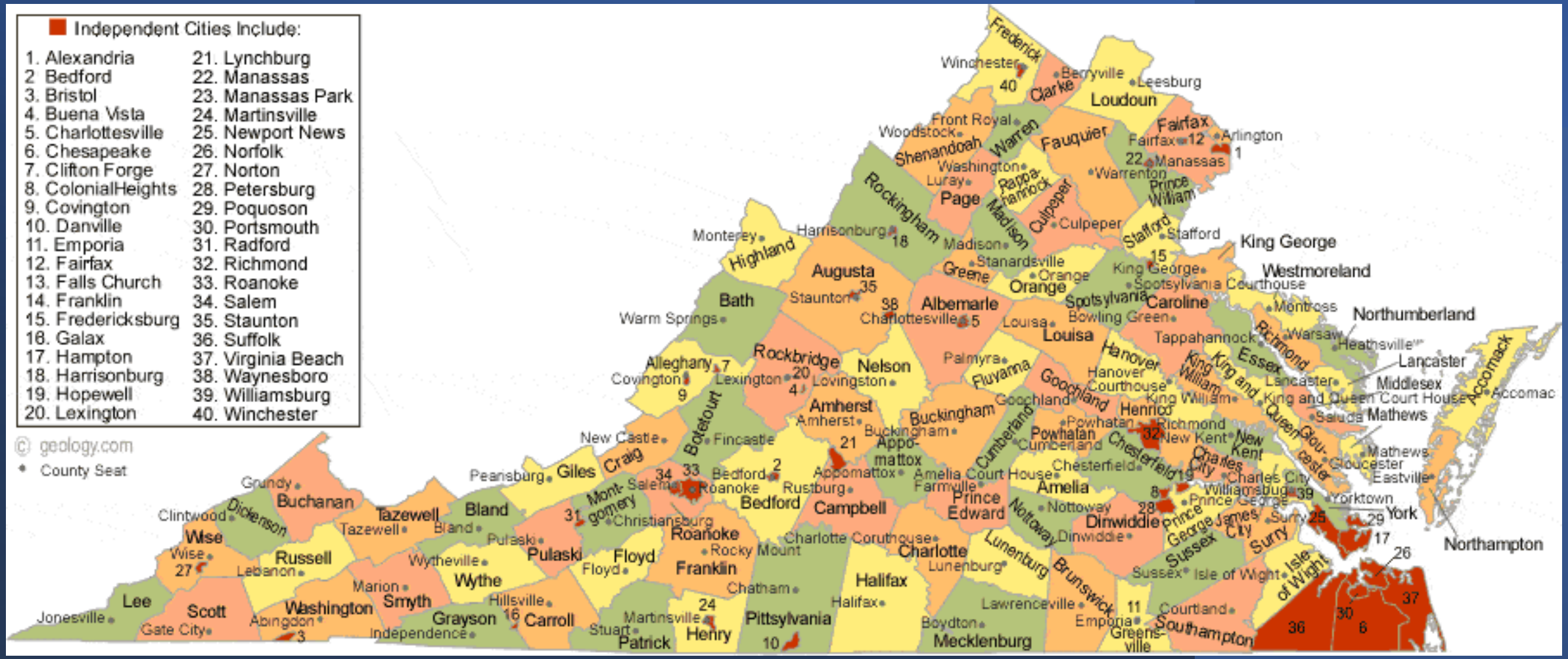
Cybersecurity

- **Survey Circulated This Past Summer**
  - From Cybersecurity, Information Technology, and Biotechnology (JCCIB)
  - Co-Chaired by Senator Hester, Chief Sponsor of SB 871 (2025)

- **May See Legislation in 2027**
  - No details available yet
  - Potential tweaks of earlier legislation?

Other Potential Legislative Topics of Interest

- **Stream Restoration**
- **PFAS Product Ban**


Independent Cities Include:
1. Alexandria
2 Bedford
3. Bristol
4. Buena Vista
5. Charlottesville
6. Chesapeake
7. Clifton Forge
8. ColonialHeights
9. Covington
10. Danville
11. Emporia
12. Fairfax
13. Falls Church
14. Franklin
15. Fredericksburg
16. Galax
17. Hampton
18. Harrisonburg
19. Hopewell
20. Lexington
21. Lynchburg
22. Manassas
23. Manassas Park
24. Martinsville
25. Newport News
26. Norfolk
27. Norton
28. Petersburg
29. Poquoson
30. Portsmouth
31. Radford
32. Richmond
33. Roanoke
34. Salem
35. Staunton
36. Suffolk
37. Virginia Beach
38. Waynesboro
39. Williamsburg
40. Winchester
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County Seat
Frederick
Winchester
Berryville
Leesburg
Clarke
Loudoun
Front Royal
Woodstock
Shenandoah
Warren
Fauquier
Fairfax
Arlington
Washington
Luray
Rappahannock
Warrenton
Prince William
Page
Madison
Culpeper
Rockingham
Harrisonburg
Monterey
Highland
Stafford
King George
Westmoreland
Augusta
Staunton
Greene
Orange
Spotsylvania
Caroline
Bath
Albemarle
Charlottesville
Louisa
Bowling Green
Northumberland
Warm Springs
Rockbridge
Nelson
Palmyra
Fluvanna
Hanover
Richmond
Warsaw
Heathsville
Lancaster
Alleghany
Covington
Lexington
Lovingston
Goochland
Essex
King and Queen Court House
Middlesex
Amherst
Buckingham
Powhatan
Henrico
Mathews
Botetourt
New Castle
Fincastle
Cumberland
Chesterfield
New Kent
Gloucester
Craig
Giles
Pearisburg
Bedford
Appomattox
Amelia Court House
Charles City
Eastville
Grundy
Buchanan
Tazewell
Bland
Mont-gomery
Christiansburg
Roanoke
Rustburg
Farmville
Amelia
Williamsburg
Yorktown
York
Clintwood
Dickenson
Wise
Russell
Lebanon
Pulaski
Floyd
Charlotte Courthouse
Nottoway
Dinwiddie
Prince George
James City
Surry
Northampton
Marion
Wytheville
Rocky Mount
Lunenburg
Sussex
Isle of Wight
Lee
Scott
Washington
Smyth
Wythe
Grayson
Carroll
Chatham
Halifax
Brunswick
Jonesville
Gate City
Abingdon
Hillsville
Martinsville
Stuart
Patrick
Henry
Pittsylvania
Lawrenceville
Emporia
Courtland
Southampton
Boydton
Mecklenburg
Greens-ville

VA Legislative Session: Short 45-Day Session

- **2027 Session Dates (Preliminary)**
  - Dec. 18: Budget Bill Presented
  - Jan. 13: General Assembly Convenes
  - Jan. 22: Bill Cut-Off Date
  - Feb. 10: Crossover
  - Feb. 27: Session Adjourns Sine Die
  - March 29: Last Day for Action by Governor
- **Full Democratic Control of State Govt**
  - 21-19 majority in Senate, 64-36 majority in House
  - With Democratic Governor Spanberger

Clean Water Priorities

- **Stormwater Funding**
  - Final FY26-28 State Budget includes $43.M in new SLAF Funding

- **Regional Greenhouse Gas Initiative (RGGI)**
  - Virginia rejoined Apr. 2026; participated in Sept. 2026 Auction
    - Proceeds of $259M (over 2.5X greater than last auction in 2023)
    - Price/ ton has increased: $37.65/ton now vs. $14.88/ton in 2023

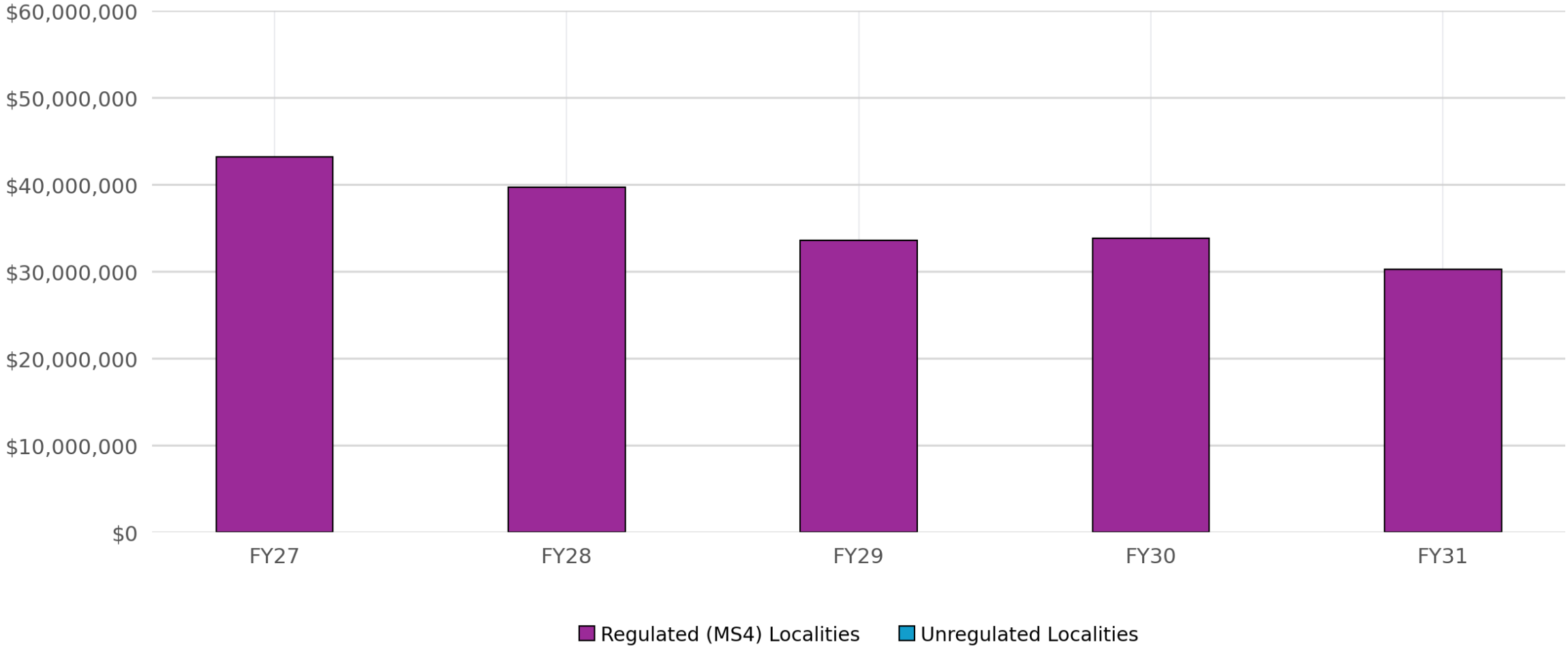
- **Wastewater Funding**
  - 2026 WQIF Needs Survey draft results show $691.1M in total need from 2027-2031
  - See slides below for details

SLAF 2026 Needs Survey

- **Current Unobligated Balance is Approx. $71.5 M**
  - $33.3M requested through FY27 solicitation
  - Sufficient funds available to cover all applications
  - Approx. $38.2 million projected to remain after FY27 awards

- **For FY 2027 to 2031**
  - Approx. $180.6 M could be requested from SLAF
  - See slides below

2026 SLAF Needs Survey Results
FY 2027 - FY 2031
Total Estimate = $ 180,620,120



SLAF **Applicant Type**	**FY2027-2028 Biennium**		**FY2029-2030 Biennium**		**FY2031**	**Total Need**
	FY27	FY28	FY29	FY30		
Regulated (MS4) Localities	$43,218,795	$39,749,775	$33,592,000	$33,828,050	$30,231,500	$180,620,120
Unregulated Localities	$0	$0	$0	$0	$0	$0
FY Totals	$43,218,795	$39,749,775	$33,592,000	$33,828,050	$30,231,500	$180,620,120
TOTALS	**$82,968,570**		**$67,420,050**		**$30,231,500**	**$180,620,120**

WQIF Needs (Draft)

In the FY27 to FY31 timeframe, the estimated WQIF grant need for identified projects totals approx. $691.1 million. Based on the estimated eligible grant amount and anticipated project schedules reported by respondents, approx. $491.5 million is needed during the FY27-FY28 biennium.

WQIF Grants	FY2027-2028 Biennium		FY2029-2030 Biennium		FY2031	Total Need
	FY27	FY28	FY29	FY30	FY31	
Applicant Identified Need	$360,710,263	$130,780,108	$75,184,740	$59,612,060	$64,845,089	$691,132,260
FY Totals	$360,710,263	$130,780,108	$75,184,740	$59,612,060	$64,845,089	$691,132,260
TOTALS	**$491,490,371**		**$134,796,800**		**$64,845,089**	**$691,132,260**

WQIF Needs (Draft)

Current WQIF Funding and Estimated Near-Term Need	
Item	Amount
FY27 WQIF appropriation in adopted budget	$329.4 million
FY27 cash-flow need	Fully funded
Estimated remaining need through FY28	Approximately $212 million
2027 General Assembly priority	Fund remaining FY28 need

Other Potential Legislative Topics of Interest

- **Governor's Data Center Accountability Framework – Authorizing Legislation**
  - By-Right Development
  - Water Use
- **DEQ SJ25 Groundwater Report Recommendations – Which to Legislate?**
  - Comprehensive Plans Restricted to Available Water Supply
- **Larger Funding Needs – Again**
  - Including Chesapeake Bay TMDL / Municipal Wastewater Upgrades

Data Centers (298 Operational in VA)

- **Governor Spanberger Issued Executive Order on Sept. 18, 2026**
  - Created Virginia AI Task Force, limits executive branch agency NDAs, directs DEQ to accelerate regulations, etc.

- **Likely Legislation**
  - Governor announced Moving Forward Virginia Plan on Nov. 10
  - Plan includes standards for data centers, bans on NDAs, water use regulations, local approval of large centers (>25 MW)
  - Also bill (SB 843) from Sen. Perry (Loudoun) and Sen. Roem (Prince Wm.) that will seek 3-year moratorium on development

DEQ Groundwater Report

- **Issued in July 2026**
  - Directed by Senate Joint Resolution No. 25 (SJ 25)
  - Report by VA DEQ

- **Key Findings**
  - Key Point #5: “Under current conditions, groundwater levels throughout the Potomac aquifer are expected to enter a period of decline in the next five to ten years.”
  - In 2024 industrial users had combined withdraw rate of nearly 36 MGD per day (this is over half of all reported withdrawals in the management areas that year)
  - DEQ assessed addition of new users
  - Key Point #7: “Under current conditions, the VCP aquifer system has limited capacity for significant new withdrawals. The estimated capacity for new withdrawals varies by region, from a maximum of 360,000 gallons per day in the eastern Northern Neck to less than 30,000 gallons per day in some western regions near I-95. On the upper end of this range would support a significant new withdrawal for industrial use.”
  - “Of more immediate concern, this report shows that the VCP aquifer system cannot currently support further permitted significant withdrawals.”

To address these issues DEQ offers five recommendations:

1. The General Assembly should amend the Ground Water Management Act of 1992 to:
    a. Codify the existing regulatory language providing that DEQ has the authority to deny an application for a permit for a new, expanded, or renewed withdrawal in a groundwater management area if "[t]he cumulative stabilized impact of the proposed withdrawal in combination with all existing lawful withdrawals will lower water levels in a confined aquifer below a point that represents 80% of the distance between the land surface and the top of the aquifer." (Recommendation #1)
    b. Clearly provide DEQ with the authority to deny an application for a groundwater withdrawal permit or to reduce the permitted withdrawal volume where alternative water sources, such as surface water or water reuse, are reasonably available. (Recommendation #2)
    c. Clarify how the prioritization for human consumption and the goal of protecting existing uses should be reconciled and implemented through permit decisions. (Recommendation #3)
    d. Prohibit DEQ from issuing any permits for new significant withdrawals in portions of groundwater management areas located outside the extent of the applicable groundwater flow model. (Recommendation #7)
2. The General Assembly should amend Chapter 22 of Title 15.2 of the Code of Virginia to require local comprehensive plans in groundwater management areas to limit planned growth based on groundwater availability if no other water supply is feasible. (Recommendation #5)
3. Any legislation to amend the Groundwater Management Act of 1992 to authorize groundwater trading should first address:
    a. The scientific and technical consensus on the safety and reliability of groundwater trading.
    b. The protection of the public right to groundwater resources.
    c. Resolution of how groundwater rights are allocated.
    d. Whether and how to compensate parties providing the recharge of the aquifer.
    e. Appropriation of adequate funds to support the development of a groundwater trading regime and a budgetary plan to pay for oversight.

    (Recommendation #11)

4. The General Assembly should appropriate $1,020,000 in Fiscal Year (FY) 2027 and $720,000 in FY 2028 to DEQ for five full time equivalents (FTEs) and the projects specified below to more effectively implement the Ground Water Management Act of 1992:

    a. $135,000 per year for 1 FTE to help coordinate, analyze, and act on data regarding the aquifer system and groundwater withdrawals, including lawful unpermitted groundwater withdrawals. (Recommendation #4)

    b. $270,000 per year for 2 FTEs to enhance DEQ's groundwater withdrawal permitting compliance program. (Recommendation #6)

    c. $270,000 per year for 2 FTEs to improve the characterization of the VCP aquifer system, enhancing DEQ's ability to conduct technical evaluations. (Recommendation #8)

    d. $45,000 per year to purchase real-time monitoring equipment for observation wells to better understand changing groundwater conditions in the VCP, including the recharge effects of HRSD's SWIFT Project. (Recommendation #9)

    e. $300,000 to hire a contractor to study and evaluate other locations in the Commonwealth that could benefit from aquifer recharge projects similar to HRSD's SWIFT Project after the extent and magnitude of the full recharge volume is realized. (Recommendation #10)

5. In addition to increasing general fund allocations, the General Assembly should raise the statutory limit on groundwater withdrawal permit fees to an amount sufficient to initially cover at least 50% of program costs. (Recommendation #12)

Other Legislative Concepts

- **Nutrient Credit Trading for Stormwater Compliance**
  - Extend HB 952 (2026) Compliance Method

- **Household Water Assistance (Study)**
  - Study of a water assistance program to help qualifying households with water and sewer bills

Questions?

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