§ 1285-u. Septic system replacement fund. 1. Definitions. For purposes of this section:

(a) "Cesspool" means a drywell that receives untreated sanitary waste containing human excreta, which sometimes has an open bottom and/or perforated sides.

(b) "Fund" means the state septic system replacement fund created by this section.

(c) "Enhanced septic system project" means an onsite decentralized wastewater treatment system(s) that (i) at a minimum, is designed to reduce total nitrogen in treated effluent to 19 mg/l or (ii) significantly and quantifiably reduces environmental and/or public health impacts associated with phosphorous or per- and polyfluoroalkyl substances and associated compounds in effluent from a cesspool or septic system.

(d) "Participating county" means a county that notifies the corporation that it seeks authority to administer a septic system replacement program within its municipal boundaries and agrees to abide by the program's goals, guidelines, eligibility requirements and reimbursement procedures and provide information to property owners regarding program parameters including eligibility criteria.

(e) "Septic system" means a system that provides for the treatment and/or disposition of the combination of human and sanitary waste with water not exceeding one thousand gallons per day, serving a single parcel of land, including residences and small businesses.

(f) "Septic system project" means the replacement of a cesspool with a septic system, the installation, replacement or upgrade of a septic system or septic system components, or installation of enhanced treatment technologies, including an advanced nitrogen removal system, to significantly and quantifiably reduce environmental and/or public health impacts associated with effluent from a cesspool or septic system to groundwater used as drinking water, or a threatened or an impaired waterbody.

(g) "Small business" means any business which is resident in this state, independently owned and operated, not dominant in its field, and employing not more than one hundred individuals.

2. (a) There is hereby created the state septic system replacement

fund, which shall be administered by the corporation to reimburse property owners or at the written request of a property owner, the septic system installer contracted by the property owner, for up to (i) fifty percent of the eligible costs incurred for eligible septic system projects, provided that no property owner shall be reimbursed more than ten thousand dollars and no septic system installer may be reimbursed more than ten thousand dollars per property for such projects; or (ii) seventy-five percent of the eligible costs incurred for enhanced septic system projects, provided that no property owner shall be reimbursed more than twenty-five thousand dollars and no enhanced septic system installer may be reimbursed more than twenty-five thousand dollars per property for such projects.

(b) Eligible costs include design and installation costs, and costs of the system, system components, or enhanced treatment technologies, but shall not include costs associated with routine maintenance such as a pump out of a septic tank.

(c) The department of environmental conservation, in consultation with the department of health and participating counties, shall from the list of participating counties establish priority geographic areas and, in the absence of county information, identify eligible septic system projects, based on an area's vulnerability to contamination, including the presence of a sole source aquifer, or known water quality impairment, population density, soils, hydrogeology, climate, and reasonable ability for septic system projects to mitigate water quality impacts. The department of environmental conservation may delegate to a participating county the identification of priority geographic areas. The department of environmental conservation, in consultation with participating counties in which priority areas have been identified, shall determine the amount of money from the fund to be provided to each participating county based on density, demand for reimbursement from the fund and the criteria used to establish the priority geographic areas. The corporation shall publish information, application forms, procedures and guidelines relating to the program on its website and in a manner that is accessible to the public.

(d) The corporation shall provide state financial assistance payments from the fund, from moneys appropriated by the legislature and available for that purpose, to participating counties to administer a septic

system replacement program to support septic system projects within their municipal boundaries undertaken by property owners within their municipal boundaries. Where such project is located in a priority geographic area identified by the department of environmental conservation as threatened or impaired by nitrogen, including groundwater used as drinking water, such septic system project must reduce nitrogen levels by at least thirty percent.

(e) The corporation shall make payments monthly to a participating county upon the receipt by the corporation of a certification from the participating county of the total costs incurred by property owners within its municipal boundaries for septic system projects within its municipal boundaries that are eligible for reimbursement from the fund.

3. (a) A participating county shall notify property owners who may be eligible to participate in the program. Determinations of eligibility will be made by the participating county based on the published program criteria and consideration of a property's location in relation to a waterbody, impacts to groundwater used as drinking water, and the condition of the property owner's current septic system as determined by:

(i) the county health department official; or

(ii) other designated authority having jurisdiction, pursuant to septic inspections required by a municipal separate storm sewer system permit; or

(iii) a septic contractor pursuant to the applicable county sanitary code provided, however, in cases where a property owner has authorized in writing such contractor to receive reimbursement directly, additional verification shall be required.

(b) An owner of property served by a septic system or cesspool may apply to a participating county on an application substantially in the form provided by the corporation.

(c) Property owners in participating counties must have signed a property owner participation agreement with the county before the start of the design phase to be eligible for reimbursement from the fund. The agreement must be substantially in the form provided by the corporation and include, without limitation, the program's goals, guidelines, eligibility requirements and reimbursement procedures.

(d) A property owner may apply for reimbursement of eligible costs by submitting to the participating county a reimbursement application, which must include at least:

(i) a signed property owner participation agreement;

(ii) a completed reimbursement application form substantially in the form provided by the corporation;

(iii) any applicable design approval for the septic system project;

(iv) description of all work completed;

(v) cost documentation and invoice or invoices for eligible costs; and

(vi) any written authorization for a septic system installer to receive reimbursement directly.

(e) Participating counties will be responsible for reviewing their property owners' applications and approving, modifying or denying the reimbursement requests as appropriate and issuing reimbursement payments to property owners from financial assistance payments made to the county from the fund.

(f) Participation in this program and the receipt of payments shall not prevent participating counties from providing additional reimbursement to property owners.

(g) Subject to the limitations of paragraph (d) of this subdivision, the county may set graduated incentive reimbursement rates for septic system projects to maximize pollution reduction outcomes.

4. On or before March first, two thousand nineteen, and annually thereafter, the corporation shall submit to the governor, the temporary president of the senate and the speaker of the assembly a report regarding the program. Such report shall include, but shall not be limited to, the number and amount of grants provided, the number and amount of any grants denied, geographic distribution of such projects and any other information the corporation determines useful in evaluating the benefits of the program.