

(5) ANY INVESTMENT EARNINGS SHALL BE RETAINED TO THE CREDIT OF THE WATERSHED BAY RESTORATION FUND.

(6) ~~THE WATERSHED BAY RESTORATION FUND SHALL BE SUBJECT TO AUDIT ONCE EVERY 2 YEARS BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN UNDER § 2-1220 OF THE STATE GOVERNMENT ARTICLE.~~

(7) THE ADMINISTRATION SHALL OPERATE THE WATERSHED BAY RESTORATION FUND IN ACCORDANCE WITH §§ 9-1616 THROUGH 9-1621 OF THIS SUBTITLE.

~~(8) THE DEPARTMENT SHALL DETERMINE THE PRIORITY RANKING OF PROJECTS.~~

~~(G)~~ (G) THERE SHALL BE DEPOSITED IN THE WATERSHED BAY RESTORATION FUND:

(1) FUNDS RECEIVED FROM THE ENVIRONMENTAL SURCHARGE RESTORATION FEE;

(2) NET PROCEEDS OF BONDS ISSUED BY THE ADMINISTRATION;

(3) INTEREST OR OTHER INCOME EARNED ON THE INVESTMENT OF MONEY IN THE WATERSHED BAY RESTORATION FUND; AND

(4) ANY ADDITIONAL MONEY MADE AVAILABLE FROM ANY SOURCES, PUBLIC OR PRIVATE, FOR THE PURPOSES FOR WHICH THE WATERSHED BAY RESTORATION FUND HAS BEEN ESTABLISHED.

~~(D)~~ (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) 1. DEPOSIT 70% OF THE FUNDS IN THAT ACCOUNT, TO BE USED FOR PROJECTS THAT WILL ENHANCE THE REMOVAL OF NITROGEN FROM ONSITE SEWAGE DISPOSAL SYSTEMS OR FOR OTHER COST-EFFECTIVE METHODS TO REDUCE THE DISCHARGE OF NITROGEN FROM ONSITE SEWAGE DISPOSAL SYSTEMS, WITH PRIORITY GIVEN TO THE UPGRADING OF FAILING SYSTEMS LOCATED IN THE CHESAPEAKE AND ATLANTIC COASTAL BAYS CRITICAL AREA; AND 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 PRIORITY GIVEN TO FAILING SYSTEMS AND HOLDING TANKS LOCATED IN THE CHESAPEAKE AND ATLANTIC COASTAL BAYS CRITICAL AREA, GRANTS OR LOANS FOR UP TO 100% OF: