

SENATE BILL 145

L6, M3, Q2

3lr0949
CF 3lr1908

By: **Senators Brochin, Klausmeier, Muse, and Pugh**

Introduced and read first time: January 17, 2013

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City and Baltimore County – Unpaid Water and Sanitary Charges –**
3 **Collection**

4 FOR the purpose of requiring the tax collectors in Baltimore City and Baltimore
5 County to withhold a residential property from a tax sale when the lien on the
6 property arises solely from certain unpaid water, sewer, and sanitary system
7 charges, fees, or assessments and the total amount of the lien is less than a
8 certain amount; repealing the prohibition against the Mayor and City Council of
9 Baltimore City from selling a property to enforce a certain lien for unpaid
10 charges for water and sewer service under certain circumstances; and generally
11 relating to the collection of unpaid charges for water and sewer service by the
12 sanitary commissions and governing bodies of Baltimore City and Baltimore
13 County.

14 BY repealing and reenacting, with amendments,
15 Article – Tax – Property
16 Section 14–811
17 Annotated Code of Maryland
18 (2012 Replacement Volume)

19 BY repealing
20 Article – Tax – Property
21 Section 14–849.1
22 Annotated Code of Maryland
23 (2012 Replacement Volume)

24 BY repealing and reenacting, without amendments,
25 Article – Environment
26 Section 9–658(a), (d), (e), and (f), 9–662(a) through (l), and 9–724(a) and (b)
27 Annotated Code of Maryland
28 (2007 Replacement Volume and 2012 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Environment
3 Section 9–658(g), 9–662(m), 9–724(c), and 9–726
4 Annotated Code of Maryland
5 (2007 Replacement Volume and 2012 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
7 MARYLAND, That the Laws of Maryland read as follows:

8 **Article – Tax – Property**

9 14–811.

10 (A) [The] **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,**
11 **THE** collector may withhold from sale any property, when the total taxes on the
12 property, including interest and penalties, amount to less than \$250 in any 1 year.

13 (B) **IN BALTIMORE CITY AND BALTIMORE COUNTY, THE COLLECTOR**
14 **SHALL WITHHOLD FROM SALE A RESIDENTIAL PROPERTY WHEN:**

15 (1) **THE LIEN ON THE PROPERTY ARISES SOLELY FROM ANY**
16 **UNPAID WATER, SEWER, OR OTHER SANITARY SYSTEM CHARGES, FEES, OR**
17 **ASSESSMENTS; AND**

18 (2) **THE TOTAL AMOUNT OF THE LIEN, INCLUDING INTEREST AND**
19 **PENALTIES, IS LESS THAN \$750.**

20 [14–849.1.

21 (a) In Baltimore City, the Mayor and City Council may not sell a property
22 solely to enforce a lien for unpaid charges for water and sewer service unless:

23 (1) the lien is for at least \$350; and

24 (2) the unpaid charges for water and sewer service are at least 3
25 quarters in arrears.

26 (b) Notwithstanding subsection (a) of this section, the Mayor and City
27 Council may enforce a lien on a property for unpaid water and sewer service that is
28 less than \$350 if the property is being sold to enforce another lien.]

29 **Article – Environment**

30 9–658.

1 (a) When the sanitary commission has determined a benefit assessment, and
2 except as otherwise provided in this section, the sanitary commission shall levy a
3 benefit assessment, so that the levy will be effective on the July 1 that next follows the
4 first March 31 that occurs on or before which the construction is completed on the
5 project for which the benefit assessment is made.

6 (d) While unpaid, benefit assessments and other charges are a lien on the
7 parcel for which made.

8 (e) The lien granted by this section is subordinate only to State taxes and
9 municipal taxes.

10 (f) (1) As to each lien that arises against a parcel in the district, the
11 sanitary commission shall keep a public record that:

12 (i) Identifies the owners of the parcel;

13 (ii) Describes the parcel and gives any lot number of record that
14 applies to the parcel; and

15 (iii) Shows the amount of the lien.

16 (2) The sanitary commission shall file the record of liens among the
17 land records of the county where the parcel is located.

18 (3) The record of liens shall be legal notice of all existing liens in the
19 district.

20 (g) (1) **[To] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
21 **SUBSECTION, TO** enforce the collection of unpaid benefit assessments or other
22 charges that are at least 60 days overdue, the sanitary commission, at any time, may:

23 (i) Sue any person who was an owner of record of the parcel at
24 any time since the benefit assessment was last paid; or

25 (ii) File a bill in equity to enforce a lien through a decree of sale
26 of property against any person who was an owner of record of the parcel at any time
27 since the benefit assessment was last paid.

28 (2) **IN BALTIMORE CITY AND BALTIMORE COUNTY, THE TAX**
29 **COLLECTOR SHALL WITHHOLD FROM SALE ANY RESIDENTIAL PROPERTY WHEN:**

30 (i) **THE LIEN ARISES SOLELY FROM ANY UNPAID WATER,**
31 **SEWER, OR OTHER SANITARY SYSTEM CHARGES, FEES, OR ASSESSMENTS; AND**

1 **(ii) THE TOTAL AMOUNT OF THE LIEN, INCLUDING**
2 **INTEREST AND PENALTIES, IS LESS THAN \$750.**

3 **(3)** In addition to the actions that the sanitary commission may take
4 under paragraph (1) of this subsection, in Allegany County, Dorchester County,
5 Garrett County, and Somerset County, the sanitary commission may disconnect the
6 service.

7 **[(3)] (4)** When recorded, the lien is legal notice to any person who
8 has any interest in a parcel.

9 9–662.

10 (a) For each project that it operates, a district may charge the owners of
11 parcels serviced by or connected to the project:

12 (1) A minimum charge; and

13 (2) A usage charge that is based on the use of the project by the owner
14 of the parcel.

15 (b) The district shall use funds received from charges made under this
16 section:

17 (1) To operate, maintain, and repair the project;

18 (2) To maintain proper depreciation allowances;

19 (3) To pay operation expenses of the district;

20 (4) To repay advances made by member counties under § 9–628 of this
21 subtitle; and

22 (5) To pay the principal and interest on bonds issued under this
23 subtitle.

24 (c) For water service, the sanitary commission:

25 (1) Shall make a minimum charge:

26 (i) That is based on the size of the meter serving the property
27 and is uniform throughout the service area for each size of meter; and

28 (ii) That, for properties to which no meter is connected, is
29 reasonable and uniform throughout the service area; and

1 (2) Subject to the meter size and uniformity requirements of this
2 subsection, may change the minimum charge as necessary.

3 (d) For sewerage service, the sanitary commission shall:

4 (1) Make a minimum charge that is reasonable and uniform
5 throughout the service area; and

6 (2) Collect, each year, the minimum charge in the same manner as the
7 sanitary commission collects benefit assessments.

8 (e) If a minimum charge for sewerage service is unpaid, the minimum charge
9 has the same status as an unpaid benefit assessment.

10 (f) For solid waste disposal systems, the sanitary commission shall make a
11 minimum charge that is reasonable and uniform throughout the service area.

12 (g) If the sanitary commission uses a water meter, the sanitary commission
13 shall connect the water meter at the sanitary commission's expense.

14 (h) For water usage, the sanitary commission shall make a charge that:

15 (1) Is based on meter readings; or

16 (2) If no water meter is connected to the property, is:

17 (i) Based on the estimated water usage; and

18 (ii) Uniform among unmetered properties in the service area.

19 (i) For sewerage systems and solid waste disposal systems, the sanitary
20 commission shall make a reasonable usage charge.

21 (j) Except for bills for minimum charges for sewerage services, the sanitary
22 commission:

23 (1) Shall send to each property owner:

24 (i) For water service, a bill for minimum charges and usage
25 charges for water once each 3 or 6 months; and

26 (ii) For other charges, a bill once each 3, 6, or 12 months; and

27 (2) May stagger the frequency and dates of bills sent under this
28 section.

29 (k) The property owner promptly shall pay any bill sent under this section.

1 (l) If a water bill is unpaid for 30 days after being sent, and after written
2 notice is left on the premises or mailed to the last known address of the owner, the
3 sanitary commission may:

4 (1) Disconnect water service to the property; and

5 (2) Require, before reconnecting water service, payment of the entire
6 water bill plus a reconnection charge reasonably related to the cost of reconnection, as
7 established by ordinance of the governing body of the county or municipal corporation
8 in which the water service is provided.

9 (m) (1) If a charge for which a bill sent under this section is in default 60
10 days after the bill is sent, the charge is in default.

11 (2) When a charge is in default, it is a lien on the property and,
12 **EXCEPT AS PROVIDED IN § 9-658(G)(2) OF THIS SUBTITLE**, the sanitary
13 commission may collect the charge in the same manner as benefit assessments.

14 9-724.

15 (a) The rates for water service shall:

16 (1) Be based on estimates of the amount of water used by the types of
17 users specified in the rates; and

18 (2) Consist of:

19 (i) A minimum charge based on the size of the meter on the
20 water connection leading to the property; and

21 (ii) A charge for water used, based on the amount of water
22 passing through the meter during the period between the last 2 readings.

23 (b) (1) At its own expense, the political subdivision shall place a meter on
24 each water connection.

25 (2) If the political subdivision does not have meters available to install
26 in all property that is connected to the system in a locality, the political subdivision
27 shall charge a flat rate to all property in which meters are not installed.

28 (c) (1) The political subdivision shall send bills for water service to the
29 property, the property owner, or the property owner's designee for each property
30 served on a monthly, quarterly, or semiannual basis.

31 (2) The bills are payable at the office of the political subdivision on
32 receipt.

1 (3) If any bill remains unpaid after 30 days from the date the bill is
2 sent, the political subdivision shall:

3 (i) Notify the owner of the property served, in writing, that the
4 bill is in arrears and that water service will be discontinued;

5 (ii) Leave the notice on the owner's property or mail the notice
6 to the last known address of the owner; and

7 (iii) Discontinue water service to the property until the owner
8 pays the bill and a reconnection charge reasonably related to the cost of reconnection,
9 as established by ordinance of the governing body of the county or municipal
10 corporation in which the water service is provided.

11 (4) If any bill remains unpaid after 60 days from the date of sending
12 the notice:

13 (i) **[The] EXCEPT AS PROVIDED IN § 9-658(G)(2) OF THIS**
14 **TITLE, THE** bill and the penalty imposed under paragraph (3)(iii) of this subsection
15 shall be collectible from the property owner in the same manner and subject to the
16 same interest as taxes are collectible in the county in which the water or sewerage
17 system lies; and

18 (ii) The water service charges and all penalties shall be a first
19 lien on the property.

20 9-726.

21 (a) The political subdivision shall:

22 (1) Select a reasonable basis for imposing the sewer service charge;
23 and

24 (2) Collect the sewer service charge once, twice, or four times a year.

25 (b) If any bill for sewer service remains unpaid after 60 days from the date
26 the bill was sent:

27 (1) **[The] EXCEPT AS PROVIDED IN § 9-658(G)(2) OF THIS TITLE,**
28 **THE** bill shall be collectible from the owner of the property served in the same manner
29 and subject to the same interest as taxes are collectible in the county in which the
30 water or sewerage system lies; and

31 (2) The sewer service charges shall be a first lien on the property.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2013.