

# HOUSE BILL 275

L2

8lr1036

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By: **St. Mary's County Delegation**

Introduced and read first time: January 19, 2018

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2018

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **St. Mary's County – Metropolitan Commission**

3 FOR the purpose of authorizing the St. Mary's County Metropolitan Commission to offer a  
4 contract of employment for certain positions; altering certain requirements and  
5 procedures concerning the incurrence of debt by the Commission; altering certain  
6 requirements concerning a certain annual tax levied by the Commission; altering  
7 certain procurement requirements; authorizing the Commission to offer connection  
8 incentive programs and other financing mechanisms to owners of existing residential  
9 properties under certain circumstances; authorizing the Commission to approve  
10 special benefit assessment charges or service extension fees for extensions,  
11 expansions and upgrades of water or sewerage systems to existing residential  
12 properties under certain circumstances; altering certain procedures concerning the  
13 determination for a required connection to a water main or sewer under certain  
14 circumstances; altering certain provisions concerning the assessment and payment  
15 of certain connection charges; altering certain provisions concerning the  
16 responsibility of the Commission in regard to unfit private water supply or sewerage  
17 systems; altering certain provisions concerning reimbursement by the  
18 Commissioners of St. Mary's County to the Commission for certain services or work  
19 under certain circumstances; altering certain provisions concerning system  
20 improvement charges under certain circumstances; altering certain provisions  
21 concerning the approval of certain amendments to the St. Mary's County  
22 Comprehensive Water and Sewerage Plan under certain circumstances; making  
23 stylistic changes; and generally relating to the St. Mary's County Metropolitan  
24 Commission.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,  
2 The Public Local Laws of St. Mary's County  
3 Section 113-1C.  
4 Article 19 – Public Local Laws of Maryland  
5 (2007 Edition and October 2014 Supplement, as amended)  
6 (As enacted by Chapters 296 and 297 of the Acts of the General Assembly of 2017)

7 BY repealing and reenacting, with amendments,  
8 The Public Local Laws of St. Mary's County  
9 Section 113-6  
10 Article 19 – Public Local Laws of Maryland  
11 (2007 Edition and October 2014 Supplement, as amended)  
12 (As enacted by Chapter 284 of the Acts of the General Assembly of 2016, as amended  
13 by Chapter 424 of the Acts of the General Assembly of 2017)

14 BY repealing and reenacting, with amendments,  
15 The Public Local Laws of St. Mary's County  
16 Section 113-7, 113-8, 113-10, 113-12A., B., and C., 113-16C., 113-26, 113-29L.,  
17 and 113-30  
18 Article 19 – Public Local Laws of Maryland  
19 (2007 Edition and October 2014 Supplement, as amended)

20 BY adding to  
21 The Public Local Laws of St. Mary's County  
22 Section 113-9  
23 Article 19 – Public Local Laws of Maryland  
24 (2007 Edition and October 2014 Supplement, as amended)

25 BY repealing  
26 The Public Local Laws of St. Mary's County  
27 Section 113-12E.  
28 Article 19 – Public Local Laws of Maryland  
29 (2007 Edition and October 2014 Supplement, as amended)

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

### 32 Article 19 – St. Mary's County

33 113-1.

34 C. The Commission shall elect one (1) of its **VOTING** members as Chairman and  
35 one (1) of its **VOTING** members as Vice Chairman, who shall serve in the absence or  
36 disability of the Chairman. The Commission shall appoint[, discharge at pleasure] and fix  
37 the compensation of a Director, a Secretary, and engineering, legal, clerical and other  
38 personnel [and help] which the Commission deems necessary to carry out the provisions of  
39 this chapter. **THE COMMISSION MAY OFFER A CONTRACT TO THE DIRECTOR AND**

1 **ASSISTANT DIRECTOR.** The Commission may, by contract, appoint and fix the  
2 compensation of a General Counsel, Treasurer or Chief Financial Officer, Chief Engineer,  
3 and any other department director. The Director may not serve concurrently as the Director  
4 and as General Counsel to the Commission. The Director shall be the immediate supervisor  
5 of the General Counsel, Treasurer or Chief Financial Officer, Chief Engineer, and any other  
6 department director.

7 113–6.

8 A. For the purpose of providing funds for the design, construction, establishment,  
9 purchase or condemnation of water supply and sewerage systems in any of the sanitary  
10 districts, the Commission, upon the approval of the [County] Commissioners of St. Mary's  
11 County and in accordance with § 27–11 of the **CODE OF** St. Mary's County [Code],  
12 **MARYLAND**, is authorized and empowered to [issue bonds] **INCUR DEBT**, from time to  
13 time, upon the full faith and credit of St. Mary's County, in such amounts as it may deem  
14 to be necessary to carry on its work, but at no time shall the total [issue of bonds] **DEBT**  
15 **OUTSTANDING** for all purposes under this chapter exceed twenty–five (25) percent of the  
16 total value of the property assessed for County taxation purposes within all of the sanitary  
17 districts in which public water or sewer facilities are located. Subject to the conditions  
18 contained herein, the form, tenor, manner [of selling] and all other matters relating to the  
19 **INCURRENCE OF DEBT, INCLUDING BUT NOT LIMITED TO THE** issuance of bonds under  
20 this chapter, shall be prescribed in a resolution to be adopted by the St. Mary's County  
21 Metropolitan Commission prior to [sale of the bonds] **INCURRING ADDITIONAL DEBT**.  
22 Except as provided in § 27–11 of the **CODE OF** St. Mary's County [Code], **MARYLAND**, the  
23 issuance of [such] bonds may not be subject to any limitations or conditions contained in  
24 any other law, and the Commission may [sell such bonds] **INCUR DEBT** in such manner[,  
25 either at public or private sale,] and for such price[,] as it may determine to be for the best  
26 interests of the Commission [and] **AS APPROVED BY** the [County] Commissioners of St.  
27 Mary's County. [The] **ANY** bonds **ISSUED** shall be serial bonds issued upon the serial  
28 maturing plan and in such denominations as shall be determined by the Commission. [The  
29 bonds may be] **ANY DEBT INCURRED BY THE COMMISSION MAY BE PREPAID OR**  
30 **redeemable before maturity, AS PERMITTED BY THE DEBT INSTRUMENT**, at the option  
31 of the Commission at such price and under such terms and conditions as may be fixed by  
32 the Commission prior to the [issuance of the bonds,] **INCURRENCE OF DEBT. ANY**  
33 **RELATED INTEREST OWED** shall [bear interest] **BE** at such rate or rates payable **NOT**  
34 **LESS THAN** semiannually, as shall be determined by a resolution of the St. Mary's County  
35 Metropolitan Commission adopted prior to the [delivery of the bonds, and] **INCURRENCE**  
36 **OF DEBT. ALL DEBT INCURRED BY THE COMMISSION** shall mature in not more than  
37 forty (40) years after date of issue and shall be forever exempt from State, City and County  
38 taxation as hereinafter provided. [They] **ALL DEBT INSTRUMENTS AND RELATED**  
39 **DOCUMENTATION TO EVIDENCE ANY INDEBTEDNESS** shall be issued under the  
40 signature and seal of the Commission and shall be unconditionally guaranteed as to  
41 payment of both principal and interest by the [County] Commissioners of St. Mary's  
42 County, a political subdivision of the State of Maryland, which guaranty shall be endorsed  
43 on [each of the bonds] **ANY SUCH DEBT AS MAY BE ISSUED** in the following language:

1 “The payment of interest when due and the principal at maturity is guaranteed by the  
2 [County] Commissioners of St. Mary’s County, Maryland.” Such endorsement shall be  
3 signed on [each of the] **ANY** bonds **ISSUED** by [the President and by the Clerk of] the [Board  
4 of County] Commissioners of [the] **ST. MARY’S** County[, or another person lawfully  
5 assigned to the functions of the Clerk,] within ten (10) days after [the] **ANY** bonds are  
6 presented by the Commission [to them] for **SUCH** endorsement.

7 B. The principal amount of [bonds issued] **ANY COMMISSION DEBT AS**  
8 **PERMITTED** hereunder, the interest payable thereon, [their transfer] and any income  
9 derived therefrom, including any profit made **BY THE COMMISSION** in the sale or transfer  
10 thereof, shall be and remain exempt from taxation by the State of Maryland and by the  
11 several counties and municipal corporations of this State.

12 113–7.

13 A. For the purpose of retiring the [bonds] **DEBT** authorized [to be issued] by this  
14 chapter and [of] paying the interest thereon, the Commission, by and through the [County]  
15 Commissioners of St. Mary’s County, shall cause to be levied, against all assessable  
16 property within the sanitary districts in which public water or sewer facilities are located,  
17 so long as any of the [bonds are] **DEBT IS** outstanding and not paid, an annual tax sufficient  
18 to provide the sum which the Commission may deem sufficient and necessary, in  
19 conjunction with any amounts as the Commission may estimate that it will be able to collect  
20 out of the System Improvement Charges, Capital Contribution Charges, and charges levied  
21 by it but not yet paid and any further funds then available for the purpose, to meet the  
22 [interest on the bonds as it becomes due and to pay the principal thereof as the bonds  
23 mature] **PERIODIC PRINCIPAL AND INTEREST PAYMENTS ON THE DEBT AS THEY**  
24 **BECOME DUE**. The tax shall be determined, levied, collected and paid over in the manner  
25 following, that is to say[, at least seventy–five (75) days before July 1 of each year, the  
26 County Commissioners shall certify to the Commission the whole valuation of the  
27 assessable property within the sanitary districts in which public water or sewer facilities  
28 are located. The]: **THE** Commission shall [then] determine [in the manner above  
29 prescribed] the amount which it deems necessary to be raised during the ensuing year for  
30 the payment of **PRINCIPAL AND** interest on **ALL** outstanding [bonds and principal of all  
31 serial bonds maturing in the year] **DEBT**, [and] after deducting all amounts in hand, or [in  
32 contemplation] **REASONABLY EXPECTED TO BE RECEIVED**, applicable to payments of the  
33 principal [of] and interest on the [bonds] **DEBT OUTSTANDING**; as hereinbefore and  
34 hereinafter in the chapter provided, it shall determine the number of cents per one hundred  
35 dollars (\$100.00) necessary to raise the amount needed and shall certify same to the [Board  
36 of County] Commissioners [at least sixty (60) days before July 1 of each year] **OF ST.**  
37 **MARY’S COUNTY**. The [County] Commissioners **OF ST. MARY’S COUNTY** in their next  
38 annual levy shall levy the tax on all land and improvements and all other property assessed  
39 for County tax purposes within the sanitary districts in which public water or sewer  
40 facilities are located, which tax shall be levied and collected and have the same priority  
41 rights, bear the same interest and penalties and in every respect be treated the same as  
42 County taxes. The tax so levied for the ensuing year shall be collected by the tax collecting

1 authorities, and every one hundred twenty (120) days they shall remit the whole amount  
2 of the tax so collected to the Commission. From the money so received, together with the  
3 amount in hand to the credit of fund or funds for the payment of the principal [of] and  
4 interest on the [bonds] **OUTSTANDING DEBT**, the Commission shall first pay all of the  
5 principal [of] and interest on the [bonds] **OUTSTANDING DEBT** as it becomes due and shall  
6 then deposit the residue of the [moneys] **MONIES** in some [bank or] **INSURED** banks **OR**  
7 **OTHER FINANCIAL INSTITUTIONS** [in the County] to the joint credit of the [County]  
8 Commissioners **OF ST. MARY'S COUNTY** and the Commission. [The Commission is  
9 authorized to pay the interest on any bonds it may issue out of the proceeds of the sale of  
10 the bonds, but not more than two (2) years' interest may be expended.] Nothing contained  
11 in this section or in this chapter shall be construed as in any manner relieving the [County]  
12 Commissioners of St. Mary's County of its unconditional pledge of its full faith and credit  
13 and unlimited taxing power to the payment of principal [of] and interest on any [bonds  
14 issued by] **OUTSTANDING DEBT OF** the Commission pursuant to Section 161.

15 B. In each year in which any [bonds issued pursuant to this chapter are] **DEBT**  
16 **IS** outstanding and unpaid, the [County] Commissioners **OF ST. MARY'S COUNTY** shall  
17 levy and collect a tax upon all property subject to assessment for taxation by St. Mary's  
18 County in rate and amount sufficient to provide an amount, if any be necessary, which,  
19 together with any other amounts lawfully available and applied for the purpose, shall be  
20 sufficient to provide for the payment of the principal [of] and interest on all such [bonds]  
21 **OUTSTANDING DEBT** when [they become] **THE DEBT BECOMES** due and payable.

22 C. In order that the prompt payment of **PRINCIPAL AND** interest [and the proper  
23 provision for the payment of the principal of said bonds] **ON ALL OUTSTANDING DEBT**  
24 shall be assured, the prompt and proper performance of the respective acts and duties  
25 heretofore defined is specifically enjoined, and any failure upon the part of any person,  
26 persons, body corporate or agent to perform the necessary acts and duties hereafter set  
27 forth to pay over the funds as required, or to use the funds for the payment of the principal  
28 [of] and interest on the [bonds] **OUTSTANDING DEBT**, is hereby declared a misdemeanor  
29 and punishable as other misdemeanors are punishable by Section 176.

30 113-8.

31 Whenever the studies and plans for water supply or sewerage systems for any sanitary  
32 district shall have been completed and the Commission shall have decided, after  
33 opportunity for a hearing has been given, to proceed with the construction thereof, it shall  
34 advertise, by notice in one (1) newspaper **OF GENERAL CIRCULATION** published in St.  
35 Mary's County [and] **OR** such newspapers [and technical] **OR OTHER FORMS OF PRINT**  
36 **OR ELECTRONIC MEDIA OR** press as it may deem proper, for bids for the construction of  
37 said system or systems, in part or as a whole, as in its judgment may appear advisable. The  
38 contract shall be let to the lowest responsible, **RESPONSIVE** bidder **PROVIDING THE BEST**  
39 **VALUE TO THE COMMISSION** or the Commission may reject any and all bids, and if, in its  
40 discretion, the prices quoted are unreasonable or unbalanced, it may readvertise the work  
41 or any part of it, or may do or cause to be done any part or all of the work by the competitive

1 procurement of goods, materials, or services **IN ACCORDANCE WITH A PROCUREMENT**  
2 **POLICY AS DULY ADOPTED AND AMENDED FROM TIME TO TIME BY THE COMMISSION.**  
3 [The Commission may not expend on the goods, materials, or services an amount exceeding  
4 ten thousand dollars (\$10,000.00) without having procured those goods, materials, or  
5 services by advertising and receiving competitive bids.] All such contracts shall be  
6 protected by such bonds, penalties and conditions as the Commission may require, all of  
7 which shall be enforced in any court having jurisdiction.

8 **113-9.**

9 **A. THE COMMISSION MAY OFFER CONNECTION INCENTIVE PROGRAMS**  
10 **AND OTHER FINANCING MECHANISMS TO ASSIST OWNERS OF EXISTING**  
11 **RESIDENTIAL PROPERTIES CURRENTLY SERVED BY SEPTIC AND/OR WELL SYSTEMS,**  
12 **WITH ALL OR A PORTION OF THE COSTS OF CONNECTING TO AVAILABLE PUBLIC**  
13 **SEWER AND WATER SYSTEMS WITHIN PLANNED SERVICE AREAS AS DESIGNATED AND**  
14 **DEFINED BY THE ST. MARY'S COUNTY COMPREHENSIVE WATER AND SEWERAGE**  
15 **PLAN.**

16 **B. FOR EXTENSIONS, EXPANSIONS AND UPGRADES OF WATER OR**  
17 **SEWERAGE SYSTEMS TO EXISTING RESIDENTIAL PROPERTIES, THE COMMISSION**  
18 **MAY, UPON A VOLUNTARY PETITION FROM THE PROPERTY OWNERS TO BE**  
19 **BENEFITED, APPROVE SPECIAL BENEFIT ASSESSMENT CHARGES OR SERVICE**  
20 **EXTENSION FEES FOR THE REPAYMENT OF COSTS ASSOCIATED WITH THE: (I)**  
21 **DESIGN, (II) PERMITTING, (III) LAND ACQUISITION, (IV) MATERIALS TESTING, (V)**  
22 **INSPECTIONS, OR (VI) CONSTRUCTION OF SUCH EXTENSION, EXPANSION OR**  
23 **UPGRADE, IN ANY OF THE SANITARY DISTRICTS, SUBJECT TO THE APPROVAL OF THE**  
24 **COMMISSIONERS OF ST. MARY'S COUNTY. IN THE EXERCISE OF THE POWERS**  
25 **GRANTED BY THIS SUBSECTION, THE COMMISSION, BY PROPER PROCEDURE, MAY**  
26 **ADOPT ALL NECESSARY RULES AND CONDITIONS FOR THE ACCEPTANCE,**  
27 **CONSTRUCTION AND MAINTENANCE OF THE PROPOSED IMPROVEMENTS. THE**  
28 **PROCEDURE SHALL PROVIDE FOR THE METHOD OF DETERMINATION OF THE**  
29 **SPECIAL BENEFIT ASSESSMENT CHARGES OR SERVICE EXTENSION FEES LEVIED**  
30 **AGAINST THE PROPERTIES BENEFITING FROM THE IMPROVEMENTS FOR THE**  
31 **PURPOSE OF REIMBURSING THE COMMISSION FOR THE COSTS OF THE**  
32 **IMPROVEMENTS AND THE TIME AND MANNER OF PAYMENT, BUT NOT TO EXCEED**  
33 **TWENTY (20) YEARS. SPECIAL BENEFIT ASSESSMENT CHARGES OR SERVICE**  
34 **EXTENSION FEES ARE A FIRST LIEN UPON THE PROPERTY AGAINST WHICH THEY ARE**  
35 **ASSESSED, UNTIL PAID, SUBJECT ONLY TO PRIOR STATE AND COUNTY TAXES, AND**  
36 **IF ANY PROPERTY IS SOLD FOR STATE AND COUNTY TAXES AND THERE REMAINS A**  
37 **SURPLUS, THE COMMISSION MAY PETITION THE CIRCUIT COURT TO SECURE**  
38 **PAYMENT OF THE LIEN.**

39 **C. ANY FINANCING PROGRAMS, INCENTIVES OR MECHANISMS SHALL BE**  
40 **SUBJECT TO THE AVAILABILITY OF FUNDS AND MAY VARY BASED UPON LOCATION,**

1 **FINANCIAL ELIGIBILITY OR OTHER QUALIFYING CRITERIA, AS ESTABLISHED AND**  
2 **APPROVED BY THE COMMISSION.**

3 113-10.

4 A. (1) The Commission may provide, for property abutting upon a street or  
5 right-of-way in which under this chapter a water main or sewer is laid, a water service  
6 pipe or sewer connection. The water service pipe or sewer connection shall be extended as  
7 required, from the water main or sewer to the property line of the abutting lot.

8 (2) The service pipe or connection with sewer shall be constructed by and  
9 at the sole expense of the Commission, but subject to a reasonable charge for the connection  
10 as provided in § 113-12 of this chapter. This charge shall be paid by all property owners at  
11 the office of the Commission before the actual connection with any pipe or private property  
12 is made or by the property owner under such reasonable conditions and charges as are  
13 deemed appropriate by the Commission. The method of construction and payment shall be  
14 determined by the Commission.

15 (3) When any water main or sewer is declared by the Commission complete  
16 and ready for the delivery of water or the reception of sewage, every abutting property  
17 owner for whom a water or sewer connection has been provided[, after due notice, shall]  
18 **MAY make [a] AN APPLICATION FOR** connection of all spigots or hydrants, toilets and  
19 waste drains with the water main or sewer [within the time prescribed by the Commission].  
20 Where **CONNECTIONS ARE PROPOSED**, those fixtures **WHICH** do not exist or are of a  
21 nature which, in the judgment of the Commission, is improper or inadequate, satisfactory  
22 equipment shall be installed by the owner on the premises. The premises shall include at  
23 least one (1) water closet and one (1) sink or washbasin, both of which shall be properly  
24 connected with the sewer of the Commission. [All cesspools] **WHERE CONNECTIONS ARE**  
25 **PROPOSED, ALL CESSPOOLS/SEPTIC SYSTEMS**, sink drains and privies located on  
26 properties connected to sewers provided by the Commission shall be abandoned, closed and  
27 left in a sanitary condition so that no odor or nuisance shall arise from them.

28 [(4) Any violation of the provisions of this section is a misdemeanor  
29 punishable under § 113-21 of this chapter.]

30 B. [Notwithstanding Subsection A of this section, when the commission declares  
31 abutting properties ready-to-serve on or after July 1, 1993, connection shall be at the  
32 property owner's option if the property is located outside the designated service area for  
33 which the water main or sewer was intended unless, or until, the private water or sewage  
34 disposal system serving the property fails to comply with applicable State regulations.] If  
35 the private water or sewage disposal system **OF A PROPERTY ABUTTING UPON A STREET**  
36 **OR RIGHT-OF-WAY IN WHICH A WATER MAIN OR SEWER IS LAID** fails to comply with  
37 State regulations, **AS DETERMINED BY THE APPROPRIATE FEDERAL, STATE OR**  
38 **COUNTY REGULATORY AUTHORITY**, connection to the water main or sewer [is] **SHALL**  
39 **BE** immediately required, **SUBJECT TO THE AVAILABILITY OF EQUIVALENT DWELLING**

1 UNITS. [Compliance with § 113–9 of this chapter is not affected by the option under this  
2 subsection.]

3 113–12.

4 A. (1) In this section, the following words have the meanings indicated:

5 (2) CAPITAL CONTRIBUTION CHARGE means an amount based on  
6 capital costs that is imposed and collected on a new [EDU] connection to a water supply or  
7 sewerage system under this chapter.

8 (3) CONNECTION CHARGE means a Capital Contribution Charge or  
9 connection fee.

10 (4) CONNECTION FEE means an amount based on the cost of connection  
11 that is imposed on a new connection to a water supply or sewerage system under this  
12 chapter.

13 (5) EDU means an equivalent dwelling unit.

14 (6) PUBLICATION means notice to all persons having any interest in the  
15 property.

16 B. (1) For every new water or sewer connection made under this chapter, the  
17 Commission may, in its sole discretion, impose and collect a reasonable connection fee, that  
18 is not less than the actual cost of connection.

19 (2) The connection fee shall be uniform [throughout a designated service  
20 area] for connections of those sizes and classes for which average costs reasonably may be  
21 ascertainable, and for all other connections, the connection fee shall be an amount not less  
22 than the actual cost of the connection.

23 (3) The Commission may revise the connection fee annually.

24 (4) Connection fees collected by the Commission shall be applied to paying  
25 the actual cost of the connections.

26 (5) The connection fee shall be due and payable to the Commission at the  
27 time the property owner makes an application or is otherwise required to connect to a water  
28 main or sewer.

29 (6) If the property owner fails to make the connection by the time required  
30 by the Commission as set forth in section 113–10 of this chapter, the connection fee shall  
31 become due and payable on the connection deadline date, shall be assessed immediately,  
32 and shall be subject to the rules of collection provided in subsection D. of this section.



1 C. (1) In addition to the connection fee, the [commission] **COMMISSION** shall  
2 impose and collect a Capital Contribution Charge for each new [EDU connected]  
3 **CONNECTION** to a water supply or sewerage system under this chapter.

4 (2) The Capital Contribution Charges collected shall be used by the  
5 Commission to pay:

6 (A) The capital costs of construction of new water supply or sewer  
7 collection systems, to the extent that the projects are identified in the Commission's  
8 six-year capital improvement plan;

9 (B) The capital cost of central treatment facility capacity expansion,  
10 as the projects are identified in the Commission's six-year capital improvement plan;

11 (C) Existing bonds issued as of October 1, 2007, to fund the costs of  
12 central treatment facility capacity expansions, but limited to, that portion of existing debt  
13 corresponding to any unallocated capacity that exists on October 1, 2007; and

14 (D) Existing bonds issued as of October 1, 2007, to fund the costs of  
15 constructing water supply or sewer collection systems, but limited to, that portion of  
16 existing debt corresponding to any unallocated capacity that exists on October 1, 2007.

17 (3) (A) The Capital Contribution Charge shall be [assessed on a per  
18 EDU basis and shall be] a uniform charge assessed equally to properties of similar  
19 classification throughout all sanitary districts. There shall be a uniform rate applicable to  
20 residential properties and a uniform rate applicable to commercial properties. The  
21 Commission may create additional uniform rates for other property classifications that the  
22 Commission considers necessary and appropriate.

23 (B) The Commission may revise the Capital Contribution Charge  
24 annually.

25 (C) The Capital Contribution Charge shall be due and payable **IN**  
26 **FULL** to the Commission [at the time a property owner makes an application or otherwise  
27 is required to connect to a water main or sewer]:

28 **(I) AT THE TIME A PROPERTY OWNER MAKES AN**  
29 **APPLICATION FOR CONNECTION;**

30 **(II) AT THE TIME A PROPERTY IS CONNECTED TO A WATER**  
31 **MAIN OR SEWER; OR**

32 **(III) AS OF THE DATE THE PROPERTY IS SOLD OR**  
33 **TRANSFERRED IF THE CAPITAL CONTRIBUTION CHARGE IS SUBJECT TO SECTION**  
34 **113-9 OF THIS CHAPTER.**

1 (D) [If the property owner fails to make the connection by the date  
2 required by the Commission as set forth in section 113–10 of this chapter, the Capital  
3 Contribution Charge shall:

4 (I) Become due and payable on the connection deadline date;

5 (II) Be assessed immediately; and

6 (III) Be subject to the same rules of collection provided in  
7 subsection D. of this section.] **IF A CAPITAL CONTRIBUTION CHARGE IS NOT PAID IN  
8 FULL AT THE TIME OF APPLICATION FOR CONNECTION AND IS NOT SUBJECT TO  
9 SECTION 113–9 OF THIS CHAPTER:**

10 (I) **THE PROPERTY OWNER MUST PAY THE COMMISSION  
11 AN AMOUNT EQUAL TO NOT LESS THAN 50% OF THE TOTAL CAPITAL CONTRIBUTION  
12 CHARGE AT THE TIME OF APPLICATION FOR CONNECTION; AND**

13 (II) **THE PROPERTY OWNER MUST PAY THE COMMISSION  
14 THE TOTAL REMAINING PORTION OF THE CAPITAL CONTRIBUTION CHARGE UPON  
15 CONNECTION TO A WATER MAIN OR SEWER OR UPON SALE OR TRANSFER OF THE  
16 PROPERTY.**

17 (E) **IF A CONNECTION IS NOT MADE TO A WATER MAIN OR SEWER  
18 WITHIN SIX (6) YEARS OF THE DATE OF APPLICATION FOR CONNECTION, THE  
19 PROPERTY OWNERS SHALL PAY THE COMMISSION, AT THE TIME OF CONNECTION,  
20 AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN (A) THE AMOUNT WHICH THE  
21 PROPERTY OWNER HAS PAID TOWARD THE CAPITAL CONTRIBUTION CHARGE AND  
22 (B) THE CAPITAL CONTRIBUTION CHARGE RATE IN EFFECT AT THE TIME OF  
23 CONNECTION.**

24 (4) For purposes of determining the Capital Contribution Charge, the  
25 capital costs referred to in paragraphs (2)(A) and (B) of this subsection shall include the  
26 principal of, interest on, and any redemption premium or other costs with respect to any  
27 bonds of the Commission issued after October 1, 2007.

28 (5) (A) When bonds have not been issued at the time the Capital  
29 Contribution Charge is calculated, the Commission may, in calculating the Capital  
30 Contribution Charge, establish a schedule for the principal of, interest on, and other costs  
31 of bonds the Commission plans to issue.

32 (B) The schedule and related Capital Contribution Charge provided  
33 in subparagraph (A) of this paragraph may be adjusted by the Commission when planned  
34 future bonds are issued.

1 [E. For property owners who elect to defer connection under section 113–10.B. of  
2 this chapter, the connection charges described in this section shall include an additional  
3 cost reflecting the delay in connection.]

4 113–16.

5 C. (1) Whenever there is in existence a privately owned **SHARED OR**  
6 **COMMUNITY** water supply or sewerage system which, in the judgment of the [Commission]  
7 **APPROPRIATE FEDERAL, STATE OR LOCAL REGULATORY AUTHORITY**, is unfit, as a  
8 whole or in part, [for incorporation with] the [Commission’s] system[, the Commission  
9 shall disregard the existence of the system or unfit part of it and extend a system or  
10 construct a new system to serve the area of the existing system or unfit part. All the  
11 provisions of this chapter relating to systems constructed by the Commission apply to the  
12 extension or new system] **SHALL BE REHABILITATED AND BROUGHT INTO**  
13 **COMPLIANCE WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL REGULATIONS BY**  
14 **THE SYSTEM OWNER(S) OR, IF REHABILITATION IS DETERMINED TO BE UNFEASIBLE,**  
15 **A NEW SYSTEM MAY BE CONSTRUCTED BY THE SYSTEM OWNER(S) TO SERVE THE**  
16 **AREA PREVIOUSLY SERVICED BY THE UNFIT SYSTEM, OR THE SYSTEM MAY BE**  
17 **ABANDONED IN ACCORDANCE WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL**  
18 **REGULATIONS.**

19 (2) **SHOULD THE SYSTEM OWNER(S) REQUEST THAT THE**  
20 **COMMISSION TAKE OWNERSHIP OF OR CONTROLLING AUTHORITY IN THE SYSTEM**  
21 **IN ACCORDANCE WITH SECTION 9–1110 OF THE ENVIRONMENT ARTICLE OF THE**  
22 **ANNOTATED CODE OF MARYLAND, THE SYSTEM OWNER(S) SHALL PRESENT THE**  
23 **COMMISSION WITH A COMPREHENSIVE PLAN OF ACTION WHICH PROVIDES ANY**  
24 **ITEMS AS MAY BE REQUIRED BY THE COMMISSION, THE PROCEDURES, POLICIES**  
25 **AND PROCESSES NECESSARY TO BRING THE SYSTEM INTO COMPLIANCE WITH THE**  
26 **ST. MARY’S COUNTY COMPREHENSIVE WATER AND SEWERAGE PLAN, ALL**  
27 **APPROPRIATE FEDERAL, STATE AND LOCAL LAWS, RULES AND REGULATIONS, AS**  
28 **WELL AS WITH ALL COMMISSION STANDARDS, PRIOR TO ANY CONSIDERATION OF**  
29 **THE REQUEST BY THE COMMISSION. THE COMMISSION SHALL TAKE INTO**  
30 **CONSIDERATION WHETHER THE ACTION REQUESTED IS NECESSARY TO ENSURE THE**  
31 **HEALTH, SAFETY AND WELFARE OF THE GENERAL PUBLIC, IS ECONOMICALLY**  
32 **FEASIBLE, AS WELL AS OTHER CRITERIA AS THE COMMISSION MAY DEEM**  
33 **NECESSARY.**

34 113–26.

35 For any services rendered **OR WORK TO BE PROVIDED** by the Commission [to  
36 sanitary districts in which it neither owns nor operates a water or sewerage system] **OR**  
37 **THE COMMISSION’S CONSULTANTS OR CONTRACTORS** at the request of [or with the  
38 approval of] the [County] Commissioners[,] **OF ST. MARY’S COUNTY WHICH WOULD**  
39 **NOT BE PROVIDED BY** the Commission [shall render a bill to] **IN THE COMMISSION’S**

1 **ORDINARY COURSE OF BUSINESS, THE COMMISSION AND the [County] Commissioners**  
 2 **[for] OF ST. MARY'S COUNTY SHALL, IN ADVANCE OF THE SERVICES OR WORK BEING**  
 3 **PROVIDED, ENTER INTO A WRITTEN AGREEMENT FOR THE SCOPE OF SERVICES OR**  
 4 **WORK TO BE PROVIDED AND the cost [of the] FOR SUCH WORK OR services. [For any**  
 5 **other] UPON COMPLETION OF THE WORK OR SERVICES, OR INTERMITTENTLY**  
 6 **DURING THE WORK OR services [rendered by], AS MUTUALLY AGREED, the Commission**  
 7 **[to the County at the] SHALL request [of or with the approval of] REIMBURSEMENT FROM**  
 8 **the [County] Commissioners OF ST. MARY'S COUNTY[, the Commission shall render a**  
 9 **bill to the County Commissioners] for the cost of the WORK OR services[, less one-tenth**  
 10 **(1/10) of those costs for each sanitary district in which the Commission owns and operates**  
 11 **a water or sewerage system. The County] PROVIDED AND THE Commissioners OF ST.**  
 12 **MARY'S COUNTY shall [make provision for the payment of those bills upon proper**  
 13 **verification of the] PAY SUCH costs [incurred] AS AGREED.**

14 113-29.

15 L. When the Commission improves a water system or sanitary sewerage system  
 16 by replacing, augmenting, upgrading, or expanding it in order to provide increased or  
 17 improved water or sewer service and the necessity for the improvement arises from  
 18 changes, whether individually or cumulatively, in use [or zoning category] of the property,  
 19 those properties shall derive a benefit from the improved facility and the Commission  
 20 [shall] **MAY impose AN ADDITIONAL System Improvement [Charges] CHARGE on [the]**  
 21 **EACH benefited property for the construction as part of the water or sewer system services.**

22 113-30.

23 Notwithstanding any provision of this chapter:

24 A. The Commission shall adopt or approve, with the prior approval of the County  
 25 Commissioners, facilities plans, a 5-year Capital Improvement Plan, and an annual  
 26 Capital Budget; and

27 B. [The County Commissioners shall amend annually the St. Mary's County  
 28 Water and Sewer Plan by incorporating into it the Commission's] **UPON ADOPTION BY**  
 29 **THE COMMISSION, THE 5-year Capital Improvement Plan SHALL BE DEEMED**  
 30 **APPROVED BY THE COMMISSIONERS OF ST. MARY'S COUNTY AND INCORPORATED**  
 31 **INTO THE ST. MARY'S COUNTY COMPREHENSIVE WATER AND SEWERAGE PLAN.**  
 32 **THE INCORPORATION SHALL CONSTITUTE AN AMENDMENT OF THE ST. MARY'S**  
 33 **COUNTY COMPREHENSIVE WATER AND SEWERAGE PLAN BY OPERATION OF LAW**  
 34 **AND SHALL BE SUBMITTED TO THE DEPARTMENT OF THE ENVIRONMENT. SECTION**  
 35 **9-503 OF THE ENVIRONMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND**  
 36 **SHALL NOT APPLY TO THE AMENDMENT BY INCORPORATION.**

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 38 October 1, 2018.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.