

SENATE BILL 993

L5

4lr2948

By: **Senator Benson**

Introduced and read first time: February 2, 2024

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Washington Suburban Sanitary Commission – System Development Charge –**
3 **Review and Credit for Construction of Facility**

4 FOR the purpose of requiring the Office of the Inspector General of the Washington
5 Suburban Sanitary Commission to complete a review of a certain facility within a
6 certain time after receiving confirmation that the construction of the facility is
7 complete; requiring the Washington Suburban Sanitary Commission to grant the
8 developer of the facility a certain credit against a certain system development charge
9 within a certain time after the review is completed; requiring the Commission to pay
10 a certain penalty and interest under certain circumstances; applying this Act
11 retroactively; and generally relating to credit granted against the system
12 development charge by the Washington Suburban Sanitary Commission.

13 BY repealing and reenacting, without amendments,
14 Article – Public Utilities
15 Section 25–402(a)
16 Annotated Code of Maryland
17 (2020 Replacement Volume and 2023 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Public Utilities
20 Section 25–405
21 Annotated Code of Maryland
22 (2020 Replacement Volume and 2023 Supplement)

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

25 **Article – Public Utilities**

26 25–402.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In addition to any other charges authorized under this division, the
2 Commission may impose a system development charge that shall be paid by an applicant
3 for new service.

4 25–405.

5 (a) The Commission may allow a developer to design and construct any on–site
6 or off–site facility necessary for the developer’s project if the facility is:

7 (1) in the Commission Capital Improvement Program and the 10–year
8 Comprehensive Water Supply and Sewerage System Plan adopted by one of the county
9 councils;

10 (2) a major project included in the Commission Capital Improvement
11 Program; or

12 (3) a project that includes a sewer main or water main that:

13 (i) provides only local service;

14 (ii) is 2,000 feet or less;

15 (iii) has a diameter of:

16 1. 15 inches or more if it is a sewer main; or

17 2. 16 inches or more if it is a water main; and

18 (iv) is built to avoid unnecessary and uneconomical duplication when
19 a major project is constructed.

20 (b) A facility constructed under this section shall be designed, constructed, and
21 inspected in accordance with:

22 (1) the standards used by the Commission; and

23 (2) all applicable laws, regulations, and written policies of the Commission.

24 (c) After the Commission approves a facility constructed by a developer under
25 this section, the Commission shall:

26 (1) accept the facility as part of the Commission system; and

27 (2) subject to subsection (d) of this section, grant the developer a credit
28 against any charge imposed under this subtitle in an amount equal to the cost of
29 constructing the facility.

1 (d) (1) The Office of the Inspector General shall review and approve the costs
2 incurred by the developer.

3 (2) THE OFFICE OF THE INSPECTOR GENERAL SHALL COMPLETE A
4 REVIEW UNDER THIS SUBSECTION WITHIN 60 DAYS AFTER THE COMMISSION
5 RECEIVES CONFIRMATION THAT THE CONSTRUCTION OF A FACILITY APPROVED BY
6 THE COMMISSION IS COMPLETE.

7 (3) (i) THE COMMISSION SHALL GRANT THE DEVELOPER A CREDIT
8 IN ACCORDANCE WITH SUBSECTION (C)(2) OF THIS SECTION WITHIN 14 DAYS AFTER
9 THE REVIEW REQUIRED UNDER THIS SUBSECTION IS COMPLETED.

10 (ii) IF THE COMMISSION DOES NOT GRANT THE CREDIT FOR AN
11 APPROVED FACILITY WITHIN 14 DAYS AFTER THE REVIEW IS COMPLETED, THE
12 COMMISSION SHALL PAY TO THE DEVELOPER:

13 1. A PENALTY CONSISTING OF 5% OF THE TOTAL
14 AMOUNT OF THE CREDIT OWED TO THE DEVELOPER; AND

15 2. INTEREST ON THE AMOUNT OF CREDIT OWED TO THE
16 DEVELOPER AT A RATE OF 12%, COMPOUNDED ANNUALLY.

17 (e) The Commission and the developer shall enter into an agreement that
18 incorporates the provisions of this section.

19 (f) If the Commission rejects a developer's request to design and construct
20 facilities under this section, the Commission shall explain in writing to the developer the
21 reasons for the rejection.

22 (g) (1) The Commission shall submit a report at the end of each fiscal year to
23 the Montgomery County and Prince George's County Delegations to the General Assembly
24 and to the county councils of Montgomery County and Prince George's County.

25 (2) The report shall state the number of requests made by developers under
26 this section, including:

27 (i) the number of acceptances and rejections by the Commission;
28 and

29 (ii) the justification for any rejections.

30 SECTION 2. AND BE IT FURTHER ENACTED, That, subject to Section 3 of this
31 Act, this Act shall be construed to apply retroactively and shall be applied to and

1 interpreted to affect all facilities approved by the Washington Suburban Sanitary
2 Commission on and after January 1, 2023.

3 SECTION 3. AND BE IT FURTHER ENACTED, That a presently existing obligation
4 or contract right may not be impaired in any way by this Act.

5 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2024.