

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1161

(Dorchester County Delegation)

Environment and Transportation

Education, Energy, and the Environment

Dorchester County - Sanitary Commission - Transfer of Powers to County Council

This bill authorizes the Dorchester County Council to enact a local law to abolish the Dorchester County Sanitary Commission and establish a department of public facilities and services, as specified. The bill transfers various powers from the sanitary commission to the county council and makes conforming changes. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: None.

Local Effect: The bill is authorizing in nature and does not directly affect Dorchester County finances or operations.

Small Business Effect: None.

Analysis

Bill Summary: The Dorchester County Council, by public local law, may assign to the department of public facilities and services, the responsibility for construction, maintenance, repair, service, and management of (1) public works, public buildings, publicly owned and private water and sewerage facilities and projects, and capital projects; (2) water supply facilities and projects; (3) wastewater collection, treatment, and disposal facilities and projects; (4) solid waste collection, recycling, and disposal facilities and projects; (5) storm drainage, erosion, and sediment control facilities and projects; (6) lighting for roads, highways, alleys, and other public places; or (7) mosquito control

facilities and programs. The county council may also assign to the department any other function or duty that is consistent with the provisions of the bill.

If the county council assigns the responsibility for water and sewerage functions to a department, the county council must abolish by public local law any sanitary district or commission established for the county, and any water or sewer authority established for the county.

Prior to abolishing a water or sewer authority or sanitary district or commission, the county council may request that the entity provide relevant information to assist the county council in establishing the public local law.

The public local law must provide:

- for the retiring, refunding, refinancing, transfer, or assumption of any applicable outstanding bonds of the abolished entity;
- for the assumption of all existing assets and liabilities of the abolished entity by the county, subject to an audit by a certified public accountant;
- for the transfer of all real and personal property of the abolished entity to the county;
- for the transfer of responsibility and administration of any legally enforceable agreement between the abolished entity and another party to the county;
- for the continued effect of orders, rules, and regulations of the abolished entity, until revoked or modified by the county council;
- that any revenues from an abolished entity must remain dedicated for their intended purpose and cannot be transferred to the county's general fund; and
- that all matters pending with the abolished entity may continue and must be completed by the department.

Any employee of a water or sewer authority or of a sanitary district or commission employed on the date of abolition, who transfers to the department, municipality, or local community, must transfer without any loss of salary, retirement benefits, insurance benefits, leave time, seniority level, or other employee benefits. An employee may continue membership in the State employees' pension system only if the employee holds an eligible position with a participating employer as defined under § 20-101 of the State Personnel and Pensions Article.

If the county council abolishes a water or sewer authority or sanitary district or commission, the county council must exercise the powers of a water or sewer authority or sanitary district or commission.

The county council may (1) adopt regulations for water and sewerage management; (2) acquire, construct, operate, or maintain water and sewerage systems deemed to be in the public interest and necessary to protect the general health and welfare; and (3) set rates, fees, and assessments for water and sewerage services and benefits.

Current Law: The Dorchester County Sanitary Commission is a public corporate body authorized by the General Assembly to operate as a monopoly in the provision of water and sewer services. The sanitary commission is the governing body of the county's sanitary district and consists of six members appointed by the county council.

Dorchester County is a charter county. Title 10, Subtitle 2 of the Local Government Article describes the express powers granted to charter counties under Article XI-A, § 2 of the Maryland Constitution. The Express Powers Act grants powers to charter counties to legislate and administer over local affairs. Generally, a charter county may enact, repeal, or amend any local law within the scope of the express powers given. A charter county may also pass any ordinance, resolution, or bylaw that does not conflict with public general law, provided that the overall health, safety, good government, and general welfare of the local community are maintained.

Local Fiscal Effect: The bill authorizes the Dorchester County Council to abolish the Dorchester County Sanitary Commission and establish a department of public facilities and services to assume the functions of the abolished commission. Dorchester County advises that the fiscal impact of the bill is minimal since the sanitary district is already operational and will remain so as an enterprise fund within Dorchester County operations.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 1051 (Senator Mautz) - Education, Energy, and the Environment.

Information Source(s): Maryland Environmental Service; Dorchester County; Maryland Department of the Environment; Department of Legislative Services

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