

BY: Economic and Environmental Affairs Committee

SUBSTITUTE AMENDMENTS TO HOUSE BILL NO. 832

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after "WSSC - " insert "System Development Charge, Compensation, and Hookups - ".

AMENDMENT NO. 2

On page 1, in line 4, after the first "of" insert "altering the schedule for the payment of a system development charge to the Washington Suburban Sanitary Commission (WSSC) for certain properties; establishing a maximum system development charge per fixture unit by a certain date; allowing for certain exceptions; limiting the amount of a certain exemption; establishing a maximum system development charge based on the number of toilets per dwelling; authorizing a change in the maximum system development charge based on the number of toilets per dwelling; limiting certain increases in WSSC employee compensation in a certain manner; allowing a property owner not to connect to certain water or sewerage services under certain circumstances, subject to certain exceptions; requiring certain funds to be deposited into a certain special fund; defining a term; making a stylistic change; providing for the application of a portion of this Act;";

in line 9, after the second "the" insert "system development charge by, and the"; and in line 10, after "of" insert a comma.

AMENDMENT NO. 3

On page 1, in line 13, after "Section" insert "1-204(g) and"; and after line 15, insert:

"BY repealing and reenacting, with amendments,

Article 29 - Washington Suburban Sanitary District

Section 3-104 and 6-113

Annotated Code of Maryland

(1997 Replacement Volume and 1997 Supplement)".

(Over)

AMENDMENT NO. 4

On page 1, after line 18, insert:

“1-204.

(G) (1) THE MAXIMUM INCREASE IN EMPLOYEE COMPENSATION IN A BUDGET ADOPTED UNDER THIS SECTION, FOR BOTH SALARIES AND WAGES, INCLUDING BOTH MERIT INCREASES AND COST-OF-LIVING ADJUSTMENTS, MAY NOT EXCEED THE INCREASES, IF ANY, INCLUDING BOTH MERIT INCREASES AND COST-OF-LIVING ADJUSTMENTS, AUTHORIZED FOR STATE EMPLOYEES FOR THE SAME FISCAL YEAR.

(2) THIS SUBSECTION DOES NOT APPLY TO AN EMPLOYEE WHO:

(I) IS EMPLOYED UNDER A COLLECTIVE BARGAINING AGREEMENT; OR

(II) RECEIVES A BASE SALARY OR ANNUALIZED WAGE OF LESS THAN \$25,000 PER YEAR.

3-104.

(a) (1) If property abuts on a street or right-of-way in which a water main or sanitary sewer is installed, the WSSC shall provide a service connection from the water main or sanitary sewer to the property line of the abutting lot.

(2) The service connection shall be constructed by and at the expense of the WSSC and shall be paid for in accordance with the provisions of this article.

(3) When a water main or sewer is declared by the WSSC as complete and ready for the delivery of water or the reception of sewage, after due notice every abutting property owner [shall] MAY hook up [all] spigots or hydrants, toilets, and waste drains with the water main or [sewer] SEWER, AS APPROPRIATE, within the time set by the WSSC.

(4) If the fixtures described in paragraph (3) of this subsection do not exist, or if they are judged by the WSSC as improper or inadequate, the property owner shall install satisfactory equipment.

(5) All cesspools, sink drains, and privies and wells that are polluted or a menace to health shall be abandoned and left in such a way that they cannot again be used nor injuriously affect the public health. The WSSC shall determine the disposition of these facilities.

(b) (1) After the construction or acquisition of a water main or sewer, the WSSC may order a property owner or occupant who refuses to connect to a water main or sewer or both to hook up to either the water main or sewer or both if:

(i) A condition exists which appears to be a menace to the health of the occupants of the property or the occupants of nearby or adjoining property;

(ii) The property on which the condition exists abuts the water main or sewer;

(iii) The WSSC gives the owner or occupant 10 days' notice and an opportunity to be heard; and

(iv) The WSSC determines the condition to be a menace to the health of the occupants of the property or the occupants of nearby or adjoining property.

(2) If the WSSC determines that a condition exists as provided in paragraph (1) of this subsection, the WSSC shall pass an order which requires that the property hookup be made in not less than 30 or more than 90 days of the issuance of the order.

(c) (1) A person may not refuse to comply with the order or violate any of the other provisions of this section.

(2) As provided in the Administrative Procedure Act, the owner or occupant of the property may appeal the decision of the WSSC to pass an order which requires the connection to be made.

6-113.

(Over)

(a) (1) In this section the following words have the meanings indicated.

(2) “Fixture unit” means the assigned value for a particular plumbing fixture, or group of plumbing fixtures, as set forth in the WSSC plumbing and gas fitting regulations, standardized with a common lavatory having an assigned value of 1 based on its probable discharge into the drainage system or hydraulic demand on the water supply.

(3) “New service” means:

(i) A first time connection of a property to the WSSC water or sewer system;

or

(ii) A new connection or increased water meter size for a property previously or currently served by the WSSC if the new connection or increased meter size is needed because of a change in the use of the property or an increase in demand for service at the property.

(4) “TOILET” MEANS A WATER CLOSET, AS SET FORTH IN THE WSSC PLUMBING AND GAS FITTING REGULATIONS.

(b) (1) Subject to the provisions of this section, in addition to any other charges authorized under this article, the WSSC may impose a system development charge that SHALL BE PAID BY an applicant for new service [shall pay at the time of filing a plumbing permit application].

(2) THE SYSTEM DEVELOPMENT CHARGE SHALL BE PAID AS FOLLOWS:

(I) FOR RESIDENTIAL PROPERTIES:

1. 50% AT THE TIME THE APPLICATION IS FILED; AND

2. 50% WITHIN 12 MONTHS AFTER THE DATE ON WHICH A PLUMBING PERMIT APPLICATION IS FILED WITH THE COMMISSION OR ON TRANSFER OF TITLE TO THE PROPERTY, WHICHEVER OCCURS FIRST; AND

(II) FOR OTHER PROPERTIES, 100% AT THE TIME THE PLUMBING PERMIT APPLICATION IS FILED.

(3) AT THE TIME OF THE FILING OF THE PLUMBING PERMIT APPLICATION, THE APPLICANT SHALL DEPOSIT WITH THE WSSC SECURITY IN THE FORM OF AN IRREVOCABLE LETTER OF CREDIT OR A FINANCIAL GUARANTY BOND OR IN A FORM ESTABLISHED AND APPROVED BY THE WSSC UNDER ITS RULES AND REGULATIONS.

(c) (1) (i) The Montgomery County Council and the Prince George's County Council shall meet annually to discuss and approve the amount of the system development charge.

(ii) The amount of the charge for a particular property:

1. [shall] SHALL be based on the number of plumbing fixtures and the assigned values for those fixtures as set forth in the WSSC plumbing and gas fitting regulations;

2. EXCEPT AS PROVIDED IN ITEM 3 OF THIS SUBPARAGRAPH, ON OR AFTER JULY 1, 1998, MAY NOT EXCEED \$200 PER FIXTURE UNIT;

3. FOR RESIDENTIAL PROPERTIES WITH FIVE OR FEWER TOILETS, SHALL BE BASED ON THE NUMBER OF TOILETS PER DWELLING UNIT AND:

A. FOR EACH APARTMENT UNIT, NOT EXCEED \$2,000;

B. FOR DWELLINGS WITH ONE OR TWO TOILETS, MAY NOT EXCEED \$3,000;

C. FOR DWELLINGS WITH THREE TO FOUR TOILETS, MAY NOT EXCEED \$5,000; OR

D. FOR DWELLINGS WITH FIVE TOILETS, MAY NOT EXCEED \$7,000; AND

(Over)

4. FOR DWELLINGS WITH MORE THAN FIVE TOILETS, SHALL BE CALCULATED ON A FIXTURE UNIT BASIS.

(iii) When establishing the charge under this section, the County Councils shall identify and consider the actual cost of construction of WSSC facilities.

(iv) When establishing the charge under this section, under criteria established jointly and agreed to by the County Councils, the County Councils:

1. Shall grant a full or partial exemption from the charge for public sponsored or affordable housing as jointly defined and agreed upon by the County Councils; [and]

2. May grant a full or partial exemption from the charge for revitalization projects; AND

3. MAY GRANT A FULL OR PARTIAL EXEMPTION FROM THE CHARGE, UNDER CONDITIONS PRESCRIBED BY THE COUNTY COUNCILS, FOR:

A. RESIDENTIAL PROPERTY LOCATED IN A MIXED RETIREMENT DEVELOPMENT AS DEFINED IN THE ZONING ORDINANCE OF PRINCE GEORGE'S COUNTY;

B. RESIDENTIAL PROPERTY LOCATED IN A PLANNED RETIREMENT COMMUNITY AS DEFINED IN THE ZONING ORDINANCE OF MONTGOMERY COUNTY;

C. OTHER ELDERLY HOUSING; OR

D. PROPERTIES USED FOR BIOTECHNOLOGY RESEARCH AND DEVELOPMENT, OR MANUFACTURING.

(v) [The charge may not exceed \$160 per fixture unit.] ON JULY 1, 1999, AND JULY 1 OF EACH SUCCEEDING YEAR, THE MAXIMUM CHARGE, AS ESTABLISHED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, MAY BE CHANGED BY AN AMOUNT

EQUAL TO THE PRIOR CALENDAR YEAR'S CHANGE IN THE CONSUMER PRICE INDEX PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF THE UNITED STATES DEPARTMENT OF LABOR FOR URBAN WAGE EARNERS AND CLERICAL WORKERS FOR ALL ITEMS FOR THE WASHINGTON, D.C. METROPOLITAN AREA, OR THE SUCCESSOR INDEX.

(2) If the charge established by the County Councils is less than the amount necessary to recover the full cost of constructing growth related facilities, the WSSC shall identify the portion of the cost of that growth that will be paid by current ratepayers as:

(i) A percentage of any rate increase; and

(ii) The annual monetary amount on a typical residential customer's annual water and sewer bill.

(3) If the County Councils do not agree on the amount of the charge, the charge imposed during the previous year shall continue in effect for the following fiscal year.

(4) If the County Councils have not previously agreed on any system development charge, a system development charge may not be imposed during that fiscal year.

(5) (i) Before July 1, 1994, the WSSC may not impose a system development charge in an amount greater than 50% of the charge established by the County Councils under this subsection.

(ii) Before July 1, 1995, the WSSC may not impose a system development charge greater than 75% of the charge established by the County Councils under this subsection.

[(d) (1) In this subsection, "small builder" means a builder who applies for and receives not more than 15 plumbing permits for residential properties from the WSSC during a single calendar year.

(2) Subject to the provisions of paragraph (3) of this subsection, a small builder may pay the system development charge in two payments as follows:

(Over)

(i) One-half at the time of filing the plumbing permit application; and

(ii) The remaining one-half within 12 months after the first payment or prior to the transfer of title to the property, whichever occurs first.

(3) At the time of the first payment under this subsection, the small builder shall deposit with the WSSC security for the second payment in an amount and form established and approved by the WSSC under its rules and regulations.]

[(e)] (D) (1) (I) THE WSSC SHALL DEPOSIT ALL FUNDS COLLECTED UNDER THE SYSTEM DEVELOPMENT CHARGE INTO THE SYSTEM DEVELOPMENT CHARGE FUND.

(II) THE SYSTEM DEVELOPMENT CHARGE FUND IS A SPECIAL FUND WHICH MAY NOT REVERT TO GENERAL FUNDS OF THE WSSC.

(2) The WSSC may only use the funds collected under the system development charge to:

(i) Pay for new treatment, transmission, and collection facilities, the need for which is directly attributable to the addition of new service, and the construction of which began after July 1, 1993; or

(ii) Amortize any bond that is issued in connection with the construction of those new facilities.

[(2)] (3) Other costs of enhancement, maintenance, or environmental regulation on existing or new systems shall be borne equally by all [rate payers] RATEPAYERS.

[(f)] (E) (1) The WSSC may allow a developer to design and construct any on-site or off-site facilities necessary for a project of the developer, as long as those facilities are in the WSSC Capital Improvement Program and the 10-year Comprehensive Water Supply and Sewerage System Plan adopted by one of the County Councils, and are designed, constructed, and inspected in accordance with:

(i) The standards utilized by the WSSC; and

(ii) All applicable laws, regulations, and written policies of the WSSC.

(2) After the WSSC approves facilities constructed by a developer under this subsection, the WSSC shall:

(i) Accept the facilities as part of the WSSC system; and

(ii) Subject to the provisions of paragraph (3) of this subsection, grant the developer a credit against any charge imposed under this section in an amount equal to the cost of constructing those facilities.

(3) The internal auditor of the WSSC shall review and approve the costs incurred by the developer.

(4) The WSSC and the developer shall enter into an agreement incorporating the provisions of this subsection.

(5) If the WSSC rejects a developer's request to design and construct facilities under this subsection, the WSSC shall submit to the developer a written explanation of the reasons for the rejection.

(6) The WSSC shall submit a report at the end of each fiscal year to the House and Senate Delegations of both counties and to the County Councils. The report shall state the number of requests made by developers under this subsection including the number of acceptances and rejections by the WSSC and the justification for any rejections.”.

AMENDMENT NO. 5

On page 5, after line 20, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the maximum allowable exemption which the County Councils may approve under Article 29, § 6-113(c)(1)(iv)3 of the Code, as enacted

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by this Act, is the amount of the increase in the system development charge under this Act above the charge, based on \$160 per fixture, that the properties would have been assessed prior to the effective date of this Act.”;

and in line 21, strike “2.” and substitute “3.”e