
By: **Prince George's County and Montgomery County Delegations**

Introduced and read first time: February 12, 1998

Assigned to: Commerce and Government Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 29, 1998

CHAPTER _____

1 AN ACT concerning

2 **Washington Suburban Sanitary Commission - Water and Sewer Subdivision**
3 **Lines**
4 **PG/MC 15-98**

5 FOR the purpose of requiring certain water and sewer pipelines, facilities, or
6 connections to be constructed by certain owners or developers; requiring certain
7 owners or developers to enter into certain agreements with the Washington
8 Suburban Sanitary Commission (WSSC); requiring certain property owners and
9 developers to provide certain security; authorizing certain contractors,
10 subcontractors, and suppliers to file a certain claim; exempting certain
11 authorizations for service from the requirements of this Act; defining certain
12 terms; and generally relating to water and sewer pipelines in the Washington
13 Suburban Sanitary District.

14 BY adding to
15 Article 29 - Washington Suburban Sanitary District
16 Section 3-101.1
17 Annotated Code of Maryland
18 (1997 Replacement Volume and 1997 Supplement)

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

Article 29 - Washington Suburban Sanitary District

1
2 3-101.1.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (2) "DEVELOPMENT" MEANS ANY PROJECT FOR THE CONSTRUCTION OF:

6 (I) TWO OR MORE RESIDENTIAL DWELLING UNITS; OR

7 (II) ANY COMMERCIAL OR INDUSTRIAL STRUCTURE.

8 (3) (I) "SUBDIVISION LINES" MEANS ALL WATER AND SEWER
9 PIPELINES OR FACILITIES NECESSARY TO PROVIDE SERVICE TO A DEVELOPMENT,
10 INCLUDING SERVICE CONNECTIONS TO INDIVIDUAL LOTS OR PROPERTIES IN A
11 DEVELOPMENT.

12 (II) "SUBDIVISION LINES" DOES NOT INCLUDE PIPELINES OR
13 FACILITIES THAT CONSTITUTE "MAJOR PROJECTS" AS DEFINED IN § 7-101 OF THIS
14 ARTICLE.

15 (4) "HEALTH HAZARD" MEANS AN OWNER-OCCUPIED RESIDENTIAL
16 PROPERTY WITH A FAILING WELL OR SEPTIC SYSTEM AS CERTIFIED BY THE STATE
17 OR A LOCAL HEALTH DEPARTMENT.

18 (5) "AUTHORIZATION FOR SERVICE" MEANS AN APPLICATION BY A
19 PROPERTY OWNER OR DEVELOPER TO THE WSSC FOR WATER OR SEWER SERVICE
20 THAT REQUIRES THE CONSTRUCTION OF SUBDIVISION LINES.

21 (6) "PAYMENT SECURITY" MEANS SECURITY TO GUARANTEE PAYMENT
22 TO THE UTILITY CONTRACTOR, SUBCONTRACTORS, AND SUPPLIERS THAT PROVIDE
23 LABOR, MATERIALS, OR CONSTRUCTION EQUIPMENT FOR THE CONSTRUCTION OF
24 SUBDIVISION LINES.

25 (7) "PERFORMANCE SECURITY" MEANS SECURITY TO GUARANTEE
26 COMPLETION OF THE CONSTRUCTION OF SUBDIVISION LINES.

27 (B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW AND EXCEPT AS
28 PROVIDED IN SUBSECTIONS (D) AND (E) OF THIS SECTION, ALL SUBDIVISION LINES IN
29 THE SANITARY DISTRICT SHALL BE CONSTRUCTED BY THE OWNER OR DEVELOPER
30 OF THE PROPERTY AT THE EXPENSE OF THE OWNER OR DEVELOPER.

31 (C) (1) BEFORE CONSTRUCTING SUBDIVISION LINES, THE OWNER OR
32 DEVELOPER OF THE PROPERTY SHALL ENTER INTO AN AGREEMENT WITH THE WSSC:

33 (1) REQUIRING THAT THE SUBDIVISION LINES BE CONSTRUCTED
34 UNDER PLANS AND SPECIFICATIONS SUBMITTED TO AND APPROVED BY THE WSSC;

1 (2) (II) REQUIRING THAT THE OWNER OR DEVELOPER COMPLY WITH
2 ALL APPLICABLE LAWS AND REQUIREMENTS FOR THE CONSTRUCTION OF THE
3 SUBDIVISION LINES; ~~AND~~

4 (3) (III) PROVIDING FOR THE INSPECTION OF THE SUBDIVISION LINES
5 BY THE WSSC BEFORE THE LINES ARE PLACED IN SERVICE;

6 (IV) REQUIRING THE PROPERTY OWNER OR DEVELOPER TO
7 PROVIDE:

8 1. PERFORMANCE SECURITY PAYABLE TO THE WSSC, IN AN
9 AMOUNT ACCEPTABLE TO THE WSSC, TAKING INTO ACCOUNT POTENTIAL COST
10 ESCALATION; AND

11 2. PAYMENT SECURITY PAYABLE TO THE WSSC FOR THE
12 BENEFIT OF THE UTILITY CONTRACTOR, SUBCONTRACTORS, AND SUPPLIERS
13 PROVIDING LABOR, MATERIALS, OR CONSTRUCTION EQUIPMENT FOR THE
14 CONSTRUCTION OF THE SUBDIVISION LINES IN AN AMOUNT EQUAL TO THE AMOUNT
15 OF THE PERFORMANCE SECURITY; AND

16 (V) PROVIDING THAT BEFORE THE SUBDIVISION LINES ARE
17 PLACED IN SERVICE, THE PROPERTY OWNER OR DEVELOPER SHALL PROVIDE THE
18 WSSC WITH A RELEASE OF LIENS, ON A FORM ACCEPTABLE TO THE WSSC, SIGNED BY
19 THE UTILITY CONTRACTOR AND NOTARIZED, STATING THAT THE UTILITY
20 CONTRACTOR, AND ALL SUBCONTRACTORS AND SUPPLIERS, HAVE BEEN PAID.

21 (2) AN ACCEPTABLE FORM OF PERFORMANCE SECURITY AND PAYMENT
22 SECURITY UNDER THIS SUBSECTION SHALL BE:

23 (I) A CERTIFIED CHECK;

24 (II) A CASH DEPOSIT;

25 (III) A CERTIFICATE OF DEPOSIT;

26 (IV) AN IRREVOCABLE LETTER OF CREDIT FROM A FINANCIAL
27 INSTITUTION ACCEPTABLE TO THE WSSC AND IN A FORM ACCEPTABLE TO THE WSSC;

28 (V) A BOND EXECUTED BY A SURETY COMPANY AUTHORIZED TO DO
29 BUSINESS IN THE STATE OF MARYLAND; OR

30 (VI) ANOTHER FORM OF SECURITY ACCEPTABLE TO THE WSSC.

31 (3) (I) A UTILITY CONTRACTOR, SUBCONTRACTOR, OR SUPPLIER
32 PROVIDING LABOR, MATERIALS, OR EQUIPMENT FOR THE CONSTRUCTION OF THE
33 SUBDIVISION LINE, THAT HAS NOT BEEN PAID, MAY FILE A CLAIM AGAINST THE
34 PAYMENT SECURITY WITHIN 180 DAYS AFTER COMPLETION OF CONSTRUCTION OF
35 THE SUBDIVISION LINES (THE "CLAIM NOTICE DATE"), UNDER THE PROCEDURE
36 REQUIRED IN THE PAYMENT SECURITY. IF NO PROCEDURE IS SPECIFIED IN THE

1 PAYMENT SECURITY, THE PROCEDURE SHALL BE THAT ESTABLISHED BY RULES AND
2 REGULATIONS ADOPTED BY THE WSSC.

3 (II) UNTIL ALL CLAIMANTS HAVE BEEN PAID, OR THE CLAIM
4 NOTICE DATE HAS PASSED AND NO CLAIMS HAVE BEEN MADE, THE WSSC MAY NOT
5 RELEASE OR REDUCE THE AMOUNT OF THE PAYMENT SECURITY.

6 (D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE PROVISIONS OF THIS
7 SECTION MAY NOT APPLY TO:

8 (1) AUTHORIZATIONS FOR SERVICE FOR WHICH:

9 (I) APPLICATION IS MADE WITH THE WSSC ON OR BEFORE JUNE
10 30, 1999; AND

11 (II) THE WSSC ENTERS INTO A CONTRACT FOR CONSTRUCTION OF
12 SUBDIVISION LINES WITH NOTICE TO PROCEED ISSUED BY THE WSSC TO ITS
13 CONTRACTOR ON OR BEFORE JUNE 30, 2001; OR

14 (2) AUTHORIZATIONS FOR SERVICE FOR THE RELIEF OF HEALTH
15 HAZARDS.

16 (E) EACH PART OF A MULTIPART AUTHORIZATION FOR SERVICE SHALL BE
17 CONSIDERED A SEPARATE AUTHORIZATION UNDER SUBSECTION (D) OF THIS
18 SECTION.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 1998.