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

Introduced and read first time: February 12, 1998

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Washington Suburban Sanitary Commission - Water and Sewer Subdivision**
3 **Lines and System Development Charge**
4 **PG/MC 27-98**

5 FOR the purpose of requiring certain water and sewer pipelines, facilities, and
6 connections to be constructed by certain owners and developers; requiring
7 certain owners and developers to enter into certain agreements with the
8 Washington Suburban Sanitary Commission (WSSC); requiring dedication of
9 certain facilities to the WSSC; exempting certain authorizations for service from
10 the requirements of this Act; altering the payment procedure for the system
11 development charge; altering the payment schedule for the system development
12 charge for certain persons; allowing the system development charge to be
13 increased in a certain manner; defining certain terms; providing for the effective
14 date of this Act; and generally relating to water and sewer pipelines and the
15 system development charge by the WSSC.

16 BY adding to
17 Article 29 - Washington Suburban Sanitary District
18 Section 3-101.1
19 Annotated Code of Maryland
20 (1997 Replacement Volume and 1997 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article 29 - Washington Suburban Sanitary District
23 Section 6-113
24 Annotated Code of Maryland
25 (1997 Replacement Volume and 1997 Supplement)

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

Article 29 - Washington Suburban Sanitary District

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 (II) "SUBDIVISION LINES" INCLUDES SERVICE CONNECTIONS TO
11 INDIVIDUAL LOTS OR PROPERTIES IN A DEVELOPMENT.

12 (III) "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 (B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW AND EXCEPT AS
22 PROVIDED IN SUBSECTIONS (D) AND (E) OF THIS SECTION, ALL SUBDIVISION LINES IN
23 THE SANITARY DISTRICT SHALL BE CONSTRUCTED BY THE OWNER OR DEVELOPER
24 OF THE PROPERTY AT THE EXPENSE OF THE OWNER OR DEVELOPER.

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

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

29 (2) REQUIRING THAT THE OWNER OR DEVELOPER COMPLY WITH ALL
30 APPLICABLE LAWS AND REQUIREMENTS FOR THE CONSTRUCTION OF THE
31 SUBDIVISION LINES;

32 (3) PROVIDING FOR THE INSPECTION OF THE SUBDIVISION LINES BY
33 THE WSSC BEFORE THE LINES ARE PLACED IN SERVICE; AND

1 (4) ON SATISFACTORY INSPECTION OF THE SUBDIVISION LINES,
2 REQUIRING THE OWNER OR DEVELOPER TO DEDICATE THE SUBDIVISION LINES TO
3 THE WSSC AT NO COST TO THE WSSC.

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

6 (1) AUTHORIZATIONS FOR SERVICE FOR WHICH:

7 (I) APPLICATION IS MADE WITH THE WSSC ON OR BEFORE JUNE
8 30, 1999; AND

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

12 (2) AUTHORIZATIONS FOR SERVICE FOR THE RELIEF OF HEALTH
13 HAZARDS.

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

17 6-113.

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

19 (2) "Fixture unit" means the assigned value for a particular plumbing
20 fixture, or group of plumbing fixtures, as set forth in the WSSC plumbing and gas
21 fitting regulations, standardized with a common lavatory having an assigned value of
22 1 based on its probable discharge into the drainage system or hydraulic demand on
23 the water supply.

24 (3) "New service" means:

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

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

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

1 (2) FOR A GOVERNMENT-OWNED OR COMMERCIAL PROPERTY, THE
2 SYSTEM DEVELOPMENT CHARGE SHALL BE PAID IN ITS ENTIRETY AT THE TIME THE
3 PLUMBING PERMIT APPLICATION IS FILED.

4 (3) FOR A RESIDENTIAL PROPERTY, THE SYSTEM DEVELOPMENT
5 CHARGE MAY BE PAID IN INSTALLMENTS IN THE TIME AND MANNER ESTABLISHED
6 BY THE MONTGOMERY AND PRINCE GEORGE'S COUNTY COUNCILS AND
7 IMPLEMENTED BY THE WSSC BY REGULATION, PROVIDED THAT:

8 (I) THE APPLICANT SHALL PAY A PORTION OF THE SYSTEM
9 DEVELOPMENT CHARGE WITHIN 12 MONTHS AFTER FILING OF THE PLUMBING
10 PERMIT APPLICATION OR BEFORE TRANSFER OF TITLE TO THE PROPERTY,
11 WHICHEVER IS EARLIER;

12 (II) THE OWNER OF THE PROPERTY SHALL PAY THE REMAINDER OF
13 THE SYSTEM DEVELOPMENT CHARGE; AND

14 (III) NO PORTION OF THE SYSTEM DEVELOPMENT CHARGE MAY BE
15 INCLUDED AS AN ITEM TO BE PAID ON A:

16 1. COUNTY PROPERTY TAX BILL; OR

17 2. WSSC BILL FOR WATER OR SEWER SERVICE UNDER § 4-110
18 OR § 6-104 OF THIS ARTICLE.

19 (4) ANY UNPAID PORTION OF A SYSTEM DEVELOPMENT CHARGE IS A
20 LIEN AGAINST THE PROPERTY UNTIL PAID AND EXTINGUISHED.

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

24 (ii) The amount of the charge for a particular property shall be
25 based on the number of plumbing fixtures and the assigned values for those fixtures
26 as set forth in the WSSC plumbing and gas fitting regulations.

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

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

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

34 2. May grant a full or partial exemption from the charge for
35 revitalization projects.

36 (v) The charge may not exceed [~~\$160~~] \$254 per fixture unit.

1 (VI) THE MAXIMUM CHARGE IN SUBPARAGRAPH (V) OF THIS
2 PARAGRAPH MAY ANNUALLY CHANGE, ON JULY 1 OF SUCCEEDING YEARS, BY AN
3 AMOUNT EQUAL TO THE PRIOR CALENDAR YEAR'S CHANGE IN THE CONSUMER
4 PRICE INDEX PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF THE UNITED
5 STATES DEPARTMENT OF LABOR FOR URBAN WAGE EARNERS AND CLERICAL
6 WORKERS FOR ALL ITEMS FOR THE WASHINGTON, D.C. METROPOLITAN AREA, OR
7 THE SUCCESSOR INDEX.

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

12 (i) A percentage of any rate increase; and

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

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

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

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

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

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

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

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

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

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

1 [(e)] (D) (1) The WSSC may only use the funds collected under the system
2 development charge to:

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

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

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

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

16 (i) The standards utilized by the WSSC; and

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

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

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

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

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

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

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

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

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