

**Department of Legislative Services**  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

House Bill 617 (Montgomery County and Prince George's County Delegations)  
Commerce and Government Matters

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**Washington Suburban Sanitary Commission - Water and Sewer Charges - Credits  
MC/PG 18-99**

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This bill requires the Washington Suburban Sanitary Commission (WSSC) to grant a credit against the water and sewer usage charges imposed to pay for subdivision lines installed by the developer (front foot benefit assessments) if the property owner did not receive notice regarding these charges at the time of the initial purchase in Montgomery and Prince George's counties. The WSSC may then bring legal action against the initial seller of the property for the amount of the credit it is required to grant.

The credit granted against the water and sewer charges is limited under this bill but should offset the cost of front foot benefit assessments (cost of installing lines serving residential property) for which the property owner may be liable. This bill is to be construed retroactively and is effective July 1, 1999.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** A potential increase of at least \$200,000 in WSSC's expenditures.

**Small Business Effect:** Potential minimal. To recover lost revenues from granting the credit, the WSSC may bring legal action against those developers who could potentially be considered small businesses. If the developer is held liable for the cost of the credit, the developer must pay this amount to the WSSC. However, any such payments are expected to be minimal.

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## Fiscal Analysis

**Local Expenditures:** Under this bill the WSSC would be required to grant a credit against a property owner's water and sewer bill. Because the WSSC is not involved in billing customers who have contracts with outside developers, its computer system is not capable of granting credits to those individuals. The WSSC advises that it would incur an initial cost of at least \$100,000 for reprogramming the computer system to provide the credit. Also, the WSSC may experience a loss in revenue due to granting this credit until it is able to recoup the amount of the credit from the developer. However, in order to recoup the amount of the credit, the WSSC could incur legal costs of at least \$100,000 to bring legal action against the offending developers.

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**Information Source(s):** Montgomery County, Prince George's County, Washington Suburban Sanitary Commission

**Fiscal Note History:** First Reader - February 23, 1999  
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