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

Introduced and read first time: February 10, 2000  
Assigned to: Commerce and Government Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Washington Suburban Sanitary Commission - Asset Sale**  
3 **PG/MC 20-00**

4 FOR the purpose of authorizing the Washington Suburban Sanitary Commission to  
5 sell certain assets of the Commission; requiring the Commission to establish  
6 certain procedures regarding the sale of certain assets; requiring the  
7 Commission to accept a certain acquisition proposal; requiring the Commission  
8 to use certain criteria and consider certain alternatives when reviewing a  
9 certain acquisition proposal; requiring the Commission to offer certain assets of  
10 the Commission at a public sale; providing for certain notice requirements of a  
11 public sale of certain assets of the Commission; providing for the termination of  
12 this Act; and generally relating to the authority of the Washington Suburban  
13 Sanitary Commission to sell certain assets of the Commission.

14 BY adding to  
15 Article 29 - Washington Suburban Sanitary District  
16 Section 18-108  
17 Annotated Code of Maryland  
18 (1997 Replacement Volume and 1999 Supplement)

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

21 **Article 29 - Washington Suburban Sanitary District**

22 18-108.

23 (A) THE WASHINGTON SUBURBAN SANITARY COMMISSION MAY SELL ALL OF  
24 THE ASSETS OF THE WSSC.

25 (B) (1) SUBJECT TO SUBSECTION (D) OF THIS SECTION, THE WSSC SHALL  
26 ESTABLISH THE PROCEDURES FOR THE SALE OF ALL OF THE ASSETS OF THE WSSC.

1 (2) AS PART OF THE PROCEDURES UNDER PARAGRAPH (1) OF THIS  
2 SUBSECTION, THE WSSC SHALL ACCEPT AN ACQUISITION PROPOSAL FROM A PUBLIC  
3 UTILITY COMPANY THAT:

4 (I) PROVIDES SHORT-TERM AND LONG-TERM ECONOMIC  
5 BENEFITS TO THE COMMERCIAL AND RESIDENTIAL RATEPAYERS;

6 (II) EQUITABLY ALLOCATES THE TOTAL SHORT-TERM AND  
7 LONG-TERM FORECASTED ECONOMIC BENEFITS, AS DETERMINED BY THE WSSC,  
8 BETWEEN SHAREHOLDERS AND COMMERCIAL AND RESIDENTIAL RATEPAYERS; AND

9 (III) DOES NOT ADVERSELY AFFECT COMPETITION.

10 (3) AS PART OF THE PROCEDURES UNDER PARAGRAPH (1) OF THIS  
11 SUBSECTION, THE WSSC SHALL CONSIDER WHETHER AN ACQUISITION PROPOSAL  
12 FROM A PUBLIC UTILITY COMPANY:

13 (I) MAINTAINS OR IMPROVES THE FINANCIAL CONDITION OF THE  
14 RESULTING WATER AND SEWER UTILITY CONDUCTING BUSINESS IN THE SANITARY  
15 DISTRICT;

16 (II) MAINTAINS OR IMPROVES THE QUALITY OF:

17 1. SERVICE TO RESIDENTIAL AND COMMERCIAL  
18 RATEPAYERS IN THE SANITARY DISTRICT; AND

19 2. MANAGEMENT OF THE RESULTING WATER AND SEWER  
20 UTILITY CONDUCTING BUSINESS IN THE SANITARY DISTRICT;

21 (III) IS FAIR AND REASONABLE TO THE EMPLOYEES OF THE WSSC,  
22 INCLUDING UNION AND NONUNION, THE RESIDENTIAL AND COMMERCIAL  
23 RATEPAYERS, THE COUNTY AND MUNICIPAL GOVERNMENTS, THE ENTITIES  
24 REGULATED BY THE WSSC, AND THE TAXPAYERS IN THE SANITARY DISTRICT;

25 (IV) BENEFITS THE STATE AND LOCAL ECONOMIES AND THE  
26 COMMUNITIES IN THE SANITARY DISTRICT;

27 (V) PRESERVES THE JURISDICTION OF THE SANITARY DISTRICT;  
28 AND

29 (VI) PROVIDES MITIGATION MEASURES TO PREVENT SIGNIFICANT  
30 ADVERSE CONSEQUENCES THAT MAY RESULT.

31 (C) IN REVIEWING A PROPOSAL FOR ACQUISITION OF ALL OF THE ASSETS OF  
32 THE WSSC, THE WSSC SHALL CONSIDER REASONABLE ALTERNATIVES TO THE  
33 PROPOSAL RECOMMENDED BY OTHER PARTIES, INCLUDING NO ACQUISITION, TO  
34 DETERMINE WHETHER COMPARABLE SHORT-TERM AND LONG-TERM ECONOMIC  
35 SAVINGS CAN BE ACHIEVED THROUGH OTHER MEANS WHILE AVOIDING THE  
36 POSSIBLE ADVERSE CONSEQUENCES OF THE PROPOSAL.

1 (D) (1) THE WSSC SHALL OFFER ALL OF THE ASSETS OF THE WSSC AT A  
2 PUBLIC SALE.

3 (2) AT LEAST 30 DAYS BEFORE THE DATE OF A PUBLIC SALE, THE WSSC  
4 SHALL GIVE PUBLIC NOTICE OF THE DATE, TIME, AND PLACE OF THE PUBLIC SALE.

5 (3) THE WSSC SHALL SELL ALL OF THE ASSETS OF THE WSSC TO A  
6 RESPONSIBLE BIDDER WHOSE ACQUISITION PROPOSAL MEETS THE REQUIREMENTS  
7 AND CONSIDERATIONS UNDER SUBSECTION (B) OF THIS SECTION.

8 (4) WHENEVER THE WSSC DETERMINES THAT NO BID IS SATISFACTORY  
9 AND THAT IT IS IN THE BEST INTEREST OF THE WSSC TO REJECT ALL BIDS, THE WSSC  
10 MAY REJECT THE BIDS.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 July 1, 2000. It shall remain effective for a period of 5 years and, at the end of June  
13 30, 2005, with no further action required by the General Assembly, this Act shall be  
14 abrogated and of no further force and effect.