

SENATE BILL 562

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2000 Regular Session
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CF 0lr1671

By: **Senators Currie, Hollinger, DeGrange, Jacobs, Stoltzfus, and Collins**
Introduced and read first time: February 4, 2000
Assigned to: Economic and Environmental Affairs and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Environment - Water Resources - Car Wash Conservation Program**

3 FOR the purpose of establishing the Car Wash Conservation Program; specifying
4 certain criteria a car wash facility must meet in order to participate in the
5 Program; providing for a certain application process for certification in the
6 Program; requiring the Department of the Environment to charge a certain fee
7 for certification in the Program; providing for certain inspections of car wash
8 facilities certified in the Program; providing a process for correcting certain
9 deficiencies at certain car wash facilities; providing for certain benefits to a car
10 wash facility for participation in the Program; requiring that a car wash facility
11 certified in the Program participate in a certain number of charitable
12 organization car wash fundraisers in a certain manner; specifying certain
13 restrictions to be imposed on a car wash facility certified in the Program when a
14 drought emergency plan is in effect; requiring the Department to adopt certain
15 regulations; providing a certain State tax credit for car wash facilities certified
16 in the Program; defining certain terms; providing for the application of this Act;
17 providing for the termination of this Act; and generally relating to water
18 resources and the Car Wash Conservation Program.

19 BY adding to
20 Article - Environment
21 Section 5-1401 through 5-1408, inclusive, to be under the new subtitle "Subtitle
22 14. Car Wash Conservation Program"
23 Annotated Code of Maryland
24 (1996 Replacement Volume and 1999 Supplement)

25 BY adding to
26 Article - Tax - General
27 Section 10-718
28 Annotated Code of Maryland
29 (1997 Replacement Volume and 1999 Supplement)

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

1 **Article - Environment**

2 SUBTITLE 14. CAR WASH CONSERVATION PROGRAM.

3 5-1401.

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.

6 (B) "FACILITY" MEANS A COMMERCIAL CAR WASH FACILITY.

7 (C) "PROGRAM" MEANS THE CAR WASH CONSERVATION PROGRAM.

8 5-1402.

9 (A) (1) THERE IS A CAR WASH CONSERVATION PROGRAM IN THE
10 DEPARTMENT THAT INCLUDES A VOLUNTARY CERTIFICATION PROCESS.11 (2) THE CAR WASH CONSERVATION PROGRAM IS ESTABLISHED FOR THE
12 PURPOSE OF ENCOURAGING CAR WASH FACILITIES TO USE WATER EFFICIENTLY
13 AND RESPONSIBLY.14 (B) EACH FACILITY CERTIFIED UNDER THE PROGRAM SHALL MEET THE
15 FOLLOWING CRITERIA:16 (1) EACH WATER USAGE DEVICE SHALL BE MAINTAINED TO ORIGINAL
17 OR IMPROVED SPECIFICATIONS FOR THE CONSERVATION OF WATER;18 (2) EACH SPRAY NOZZLE UTILIZED AT THE FACILITY SHALL BE
19 REPLACED ANNUALLY;20 (3) ANY WATER LEAK SHALL BE REPAIRED AS SOON AS FEASIBLY
21 POSSIBLE;22 (4) EACH TOILET USED AT THE FACILITY SHALL BE REPLACED WITH A
23 1.6 GALLON TOILET;24 (5) EACH HOSE AND FAUCET IN USE SHALL BE ATTENDED OR, WHEN
25 UNATTENDED, SHALL BE SHUT OFF;26 (6) WATER DISCHARGED FROM A REVERSE OSMOSIS WATER
27 TREATMENT PROCESS SHALL BE REUSED IN THE WASH WATER HOLDING TANK; AND28 (7) EACH EMPLOYEE OF THE FACILITY SHALL BE GIVEN INFORMATION
29 WHEN HIRED TO ENSURE A BETTER UNDERSTANDING OF SOUND WATER
30 CONSERVATION PRACTICES AS THEY RELATE TO EMPLOYMENT AT THE FACILITY.31 (C) IN ADDITION TO THE CRITERIA IN SUBSECTION (B) OF THIS SECTION,
32 EACH SELF-SERVICE CAR WASH FACILITY CERTIFIED UNDER THE PROGRAM SHALL
33 MEET THE FOLLOWING CRITERIA:

1 (1) EACH CHAMOIS WRINGER SINK SHALL BE EQUIPPED WITH POSITIVE
2 SHUT OFF VALVES;

3 (2) EACH HIGH-PRESSURE NOZZLE AND PUMP SYSTEM SHALL BE
4 CALIBRATED TO FLOWS NO GREATER THAN 3.5 GALLONS PER MINUTE BY REPLACING
5 EXISTING NOZZLES WITH REDUCED SIZE NOZZLES AND ADJUSTING THE PRESSURE
6 GENERATED BY THE PUMPS; AND

7 (3) THE FACILITY'S WEEP SYSTEM SHALL BE PROPERLY SERVICED AND
8 MAINTAINED.

9 (D) IN ADDITION TO THE CRITERIA IN SUBSECTION (B) OF THIS SECTION,
10 EACH FULL SERVICE CAR WASH FACILITY CERTIFIED UNDER THE PROGRAM SHALL
11 MEET THE FOLLOWING CRITERIA:

12 (1) AUTOMATIC HIGH-LEVEL CUT-OFFS SHALL BE INSTALLED IN ALL
13 TOWEL AND CHAMOIS WASHING MACHINES; AND

14 (2) (I) A MINIMUM OF 35% OF THE WATER USED IN THE WASH
15 PROCESS SHALL BE RECLAIMED WATER; AND

16 (II) A FACILITY THAT DOES NOT AT THE TIME OF APPLICATION FOR
17 CERTIFICATION IN THE PROGRAM QUALIFY TO MEET THE 35% RECLAIMED WATER
18 REQUIREMENT SHALL HAVE 10 YEARS FROM THE EFFECTIVE DATE OF THIS
19 SUBTITLE TO MEET THE STANDARD.

20 (E) IN ADDITION TO THE CRITERIA IN SUBSECTION (B) OF THIS SECTION,
21 EACH ROLL-OVER/IN-BAY AUTOMATIC CAR WASH FACILITY CERTIFIED UNDER THE
22 PROGRAM SHALL MEET THE FOLLOWING CRITERIA:

23 (1) EACH CHAMOIS WRINGER SINK SHALL HAVE POSITIVE SHUT OFF
24 VALVES;

25 (2) EACH FACILITY SHALL, IF DETERMINED TO BE FEASIBLE BY THE
26 DEPARTMENT, CREATE A 5 SECOND DWELL TIME BEFORE A VEHICLE EXITS THE BAY
27 TO PROVIDE FOR WATER TO RUN OFF THE VEHICLE INTO THE BAY COLLECTION PIT;
28 AND

29 (3) (I) A MINIMUM OF 35% OF THE WATER USED IN THE WASH
30 PROCESS SHALL BE RECLAIMED WATER; AND

31 (II) A FACILITY THAT DOES NOT AT THE TIME OF APPLICATION FOR
32 CERTIFICATION IN THE PROGRAM QUALIFY TO MEET THE 35% RECLAIMED WATER
33 REQUIREMENT SHALL HAVE 10 YEARS FROM THE EFFECTIVE DATE OF THIS
34 SUBTITLE TO MEET THE STANDARD.

35 5-1403.

36 (A) (1) A FACILITY THAT MEETS THE REQUIREMENTS OF § 5-1402 OF THIS
37 SUBTITLE MAY SUBMIT AN APPLICATION FOR CERTIFICATION TO THE DEPARTMENT.

1 (2) A FACILITY APPLYING FOR CERTIFICATION IS SUBJECT TO AN
2 INSPECTION BY THE DEPARTMENT TO DETERMINE WHETHER THE FACILITY MEETS
3 ALL APPROPRIATE CRITERIA UNDER § 5-1402 OF THIS SUBTITLE.

4 (3) IF A FACILITY IS APPROVED FOR CERTIFICATION, THE OWNER OR
5 OPERATOR OF THE FACILITY SHALL EXECUTE AN AGREEMENT WITH THE
6 DEPARTMENT INDICATING THE FACILITY'S INTENT TO COMPLY WITH THE
7 REQUIREMENTS OF THE PROGRAM.

8 (B) (1) A FACILITY ACCEPTED FOR CERTIFICATION IN THE PROGRAM SHALL
9 PAY AN INITIAL CERTIFICATION FEE OF \$50.

10 (2) A FACILITY CERTIFIED UNDER THE PROGRAM SHALL PAY AN
11 ANNUAL RENEWAL FEE OF \$25 FOR EACH YEAR THE FACILITY CONTINUES TO
12 PARTICIPATE IN THE PROGRAM.

13 (C) A FACILITY CERTIFIED UNDER THE PROGRAM SHALL BE SUBJECT TO THE
14 SAME WATER RESTRICTIONS IMPOSED ON OTHER COMMERCIAL USERS WHEN A
15 DROUGHT EMERGENCY PLAN IS IN EFFECT.

16 (D) A FACILITY CERTIFIED UNDER THE PROGRAM SHALL PARTICIPATE IN THE
17 CHARITABLE ORGANIZATION CAR WASH PROGRAM IN ACCORDANCE WITH § 5-1406 OF
18 THIS SUBTITLE.

19 5-1404.

20 (A) A FACILITY CERTIFIED UNDER THE PROGRAM SHALL BE SUBJECT TO
21 INSPECTIONS CONDUCTED BY THE DEPARTMENT WITHOUT NOTICE TO THE
22 FACILITY.

23 (B) IF DURING AN INSPECTION THE DEPARTMENT DISCOVERS THE FACILITY
24 TO BE DEFICIENT IN ITS COMPLIANCE WITH THE CRITERIA IN § 5-1402 OF THIS
25 SUBTITLE, THE DEPARTMENT SHALL:

26 (1) ISSUE A NOTICE TO THE OWNER OR OPERATOR OF THE FACILITY
27 REPORTING THE DEFICIENCIES AND PROVIDING 14 DAYS FOR THE FACILITY TO
28 REPAIR THE DEFICIENCIES, OR ADDITIONAL TIME THAT IS REASONABLE UNDER THE
29 CIRCUMSTANCES;

30 (2) REVOKE THE CERTIFICATION OF THE FACILITY IF THE REPORTED
31 DEFICIENCIES ARE NOT REPAIRED IN THE APPROPRIATE TIME PERIOD; AND

32 (3) PREVENT A CERTIFIED FACILITY FROM OPERATING DURING A
33 DROUGHT EMERGENCY UNTIL DEFICIENCIES ARE REPAIRED.

1 5-1405.

2 A FACILITY CERTIFIED UNDER THE PROGRAM MAY:

3 (1) DISPLAY SIGNAGE APPROVED BY THE DEPARTMENT ADVERTISING
4 THAT THE FACILITY IS CERTIFIED IN THE PROGRAM;

5 (2) BE IDENTIFIED ON A LIST PUBLISHED ANNUALLY BY THE
6 DEPARTMENT OF CAR WASH FACILITIES CERTIFIED UNDER THE PROGRAM;

7 (3) PARTICIPATE IN THE PROGRAM TAX INCENTIVE IN ACCORDANCE
8 WITH § 10-718 OF THE TAX - GENERAL ARTICLE; AND

9 (4) USE A LOGO OR PHRASE APPROVED BY THE DEPARTMENT IN
10 ADVERTISING, MAILINGS, AND OTHER PROMOTIONAL MATERIAL INDICATING THAT
11 THE FACILITY IS CERTIFIED IN THE PROGRAM.

12 5-1406.

13 (A) IN THIS SECTION, "CHARITABLE ORGANIZATION" MEANS A CHARITABLE
14 ORGANIZATION THAT HAS RECEIVED TAX EXEMPT NONPROFIT STATUS UNDER
15 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE.

16 (B) A FACILITY CERTIFIED UNDER THE PROGRAM IS REQUIRED TO
17 PARTICIPATE IN A MINIMUM OF THREE CHARITABLE ORGANIZATION CAR WASH
18 FUNDRAISERS PER YEAR IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

19 (C) A FACILITY SHALL ADHERE TO THE FOLLOWING GUIDELINES WHEN
20 HOSTING A CHARITABLE ORGANIZATION CAR WASH FUNDRAISER:

21 (1) THE FACILITY MAY CONTRIBUTE A MINIMUM OF 25% OF THE
22 FACILITY'S GROSS REVENUES DURING A DESIGNATED AND ADVERTISED TIME
23 PERIOD TO A CHARITABLE ORGANIZATION; OR

24 (2) (I) THE FACILITY MAY PROVIDE A CHARITABLE ORGANIZATION
25 WITH TOKENS OR CERTIFICATES FOR USE AT THE FACILITY WHICH SHALL BE SOLD
26 TO THE CHARITABLE ORGANIZATION AT A MINIMUM DISCOUNT OF 25% OFF THE
27 REGULAR COST;

28 (II) THE CHARITABLE ORGANIZATION SHALL RETAIN THE
29 PROCEEDS FOR THE SALE OR TRANSFER OF THE TOKENS OR CERTIFICATES FOR ITS
30 FUNDRAISING PURPOSE; AND

31 (III) THE TOKENS OR CERTIFICATES ISSUED BY THE FACILITY MAY
32 BE VALID FOR A SET PERIOD OF TIME.

33 5-1407.

34 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A FACILITY
35 CERTIFIED UNDER THE PROGRAM SHALL BE SUBJECT TO THE SAME RESTRICTIONS

1 AS OTHER COMMERCIAL BUSINESSES WHEN A DROUGHT EMERGENCY PLAN IS IN
2 EFFECT.

3 (B) IN ADDITION TO THE RESTRICTIONS IMPOSED ON OTHER COMMERCIAL
4 BUSINESSES, WHEN A DROUGHT EMERGENCY PLAN IS IN EFFECT A FACILITY
5 CERTIFIED UNDER THE PROGRAM SHALL:

6 (1) USE RECYCLED WATER IN THE IRRIGATION OF LANDSCAPING
7 ASSOCIATED WITH THE FACILITY;

8 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,
9 CLEAN ALL DRIVEWAYS AND IMPERVIOUS AREAS BY SWEEPING INSTEAD OF
10 WASHING; AND

11 (3) WASH DRIVEWAYS ONLY FOR HEALTH AND SAFETY PURPOSES AND
12 ONLY WITH HIGH PRESSURE LOW VOLUME WATER HOSES.

13 (C) IN ADDITION TO THE RESTRICTIONS IMPOSED IN SUBSECTIONS (A) AND (B)
14 OF THIS SECTION, A SELF-SERVICE FACILITY SHALL ALSO ADJUST EACH HIGH
15 PRESSURE PUMP TO A MAXIMUM OF 1000 POUNDS PER SQUARE INCH WHEN A
16 DROUGHT EMERGENCY PLAN IS IN EFFECT.

17 (D) IN ADDITION TO THE RESTRICTIONS IMPOSED IN SUBSECTIONS (A) AND (B)
18 OF THIS SECTION, A FULL-SERVICE CAR WASH FACILITY AND A ROLL-OVER/IN-BAY
19 AUTOMATIC FACILITY SHALL USE A MINIMUM OF 45% RECLAIMED WATER IN THE
20 WASH PROCESS WHEN A DROUGHT EMERGENCY PLAN IS IN EFFECT.

21 (E) A FACILITY THAT DOES NOT PARTICIPATE IN THE CERTIFICATION
22 PROGRAM UNDER THIS SUBTITLE MAY BE SUBJECT TO MORE STRINGENT
23 REGULATIONS WHEN A DROUGHT EMERGENCY PLAN IS IN EFFECT.

24 5-1408.

25 THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO IMPLEMENT
26 THIS SUBTITLE.

27 **Article - Tax - General**

28 10-718.

29 (A) (1) IN THIS SECTION, "WATER CONSERVATION EQUIPMENT" MEANS
30 PARTS, LABOR, AND INSTALLATION OF EQUIPMENT OR PARTS, LABOR, AND
31 INSTALLATION OF UPGRADES ON EXISTING EQUIPMENT.

32 (2) "WATER CONSERVATION EQUIPMENT" INCLUDES NOZZLES, TOILETS,
33 RECLAIM SYSTEMS, AND WEEP CONTROL SYSTEMS.

34 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A COMMERCIAL CAR
35 WASH FACILITY PARTICIPATING IN THE CAR WASH CONSERVATION PROGRAM IN
36 ACCORDANCE WITH TITLE 5, SUBTITLE 14 OF THE ENVIRONMENT ARTICLE MAY

1 CLAIM A ONE TIME CREDIT AGAINST THE STATE INCOME TAX FOR A TAXABLE YEAR
2 NOT EXCEEDING THE LESSER OF \$2,500 OR AN AMOUNT EQUAL TO 50% OF THE COST
3 OF WATER CONSERVATION EQUIPMENT THAT:

4 (1) THE CAR WASH FACILITY INSTALLS OR UPGRADES DURING THE
5 TAXABLE YEAR BY PURCHASE OR LEASE; AND

6 (2) IS USED TO UPGRADE AN EXISTING CAR WASH FACILITY TO COMPLY
7 WITH THE CERTIFICATION REQUIREMENTS OF THE CAR WASH CERTIFICATION
8 PROGRAM IN ACCORDANCE WITH TITLE 5, SUBTITLE 14 OF THE ENVIRONMENT
9 ARTICLE.

10 (C) TO QUALIFY FOR THE CREDIT, ALL WATER CONSERVATION EQUIPMENT
11 UPGRADES MUST BE APPROVED BY THE DEPARTMENT OF THE ENVIRONMENT.

12 (D) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR
13 EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE INDIVIDUAL OR
14 CORPORATION MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME
15 TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

16 (1) THE FULL AMOUNT OF THE EXCESS BEING USED; OR

17 (2) THE EXPIRATION OF THE 5TH TAX YEAR FOLLOWING THE TAXABLE
18 YEAR IN WHICH THE EQUIPMENT WAS PLACED IN SERVICE.

19 (E) (1) WATER CONSERVATION EQUIPMENT THAT IS PLACED IN SERVICE
20 FROM AUGUST 4, 1999 TO DECEMBER 31, 2000, BOTH INCLUSIVE, AND THAT HAS BEEN
21 APPROVED BY THE DEPARTMENT OF THE ENVIRONMENT, SHALL BE ELIGIBLE FOR
22 THE CREDIT IN THE FIRST TAXABLE YEAR BEGINNING ON OR AFTER JANUARY 1,
23 2000.

24 (2) WATER CONSERVATION EQUIPMENT THAT IS PLACED IN SERVICE ON
25 OR AFTER JANUARY 1, 2001, SHALL BE ELIGIBLE FOR THE CREDIT IN THE TAXABLE
26 YEAR THAT THE EQUIPMENT IS PLACED IN SERVICE.

27 (F) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, FOR THE PURPOSE OF
28 DETERMINING MARYLAND TAXABLE INCOME, THE BASIS OF THE PROPERTY WITH
29 RESPECT TO WHICH THE CREDIT UNDER THIS SECTION IS ALLOWED SHALL BE ITS
30 BASIS FOR FEDERAL INCOME TAX PURPOSES.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
32 applicable to all taxable years beginning after December 31, 2000.

33 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 October 1, 2000. It shall remain effective for a period of 10 years and, at the end of
35 September 30, 2010, with no further action required by the General Assembly, this
36 Act shall be abrogated and of no further force and effect.