

Department of Legislative Services  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

Senate Bill 862 (Senators Currie and Green)

Economic and Environmental Affairs

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**Washington Suburban Sanitary District - System Development Charge - Exemption  
PG/MC 25-00**

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This bill exempts residential property located in a mixed retirement development in Prince George's County from the Washington Suburban Sanitary Commission (WSSC) system development charge.

The bill is effective July 1, 2000.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** WSSC revenues from the collection of system development charges could decrease depending on the number and type of residential retirement properties developed in Prince George's County and the amount of deductions usually granted to retirement communities built in the sanitary district. No effect on WSSC expenditures. Prince George's County finances would not be affected.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** Retirement properties built in the Washington Suburban Sanitary District are subject to a system development charge, though the Montgomery and Prince George's county councils may grant full or partial exemptions from the 1998 increase in system development charges. The system development charge may not exceed \$200 per fixture unit.

**Background:** In 1998, the General Assembly approved an increase in the WSSC system development charge from \$160 to \$200 per fixture. Maximum charges were also set for certain types of dwellings. The legislation increasing the system development charges also authorized the Montgomery and Prince George's county councils to grant retirement developments full or partial exemptions from the increase.

**Local Revenues:** System development charges are charged to new developments and are based on the type of property being developed and the number of toilets and other plumbing fixtures the property will require. For example, the system development charge for an apartment complex may not exceed \$2,000 per apartment. Thus, if a 100-apartment retirement community was built, the WSSC could potentially lose \$200,000 of revenue. The WSSC advises that only a small number of retirement communities are developed annually in Prince George's County. Any forecasted loss of revenues must also take into account the current practice of giving discounts to retirement properties. Information on the frequency of charge reductions granted to retirement community developers is not available.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 7, 2000  
nlr/jr

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