

HOUSE BILL 667

L5

71r0547

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

Introduced and read first time: February 8, 2007

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 20, 2007

CHAPTER _____

1 AN ACT concerning

2 **Washington Suburban Sanitary District – System Development Charge –**
3 **Exemptions**

4 **MC/PG 116-07**

5 FOR the purpose of authorizing the County Councils of Montgomery County and
6 Prince George's County to grant an exemption from a system development
7 charge imposed by the Washington Suburban Sanitary District for certain
8 properties owned by certain entities that are exempt from federal taxation and
9 ~~whose primary mission and purpose~~ the exclusive mission and purpose of which
10 ~~is to provide programs and services to youth under certain circumstances and~~
11 ~~for certain projects that include a commitment to preserve certain open space~~
12 ~~under the definitions, conditions, and requirements that the County Councils~~
13 ~~set;~~ limiting the amount of the exemption; requiring the county councils of
14 Montgomery County and Prince George's County to jointly report to the
15 delegations of Montgomery County and Prince George's County of the General
16 Assembly on or before a certain date; providing for the termination of this Act;
17 and generally relating to the Washington Suburban Sanitary District and the
18 system development charge.

19 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article 29 – Washington Suburban Sanitary District
 2 Section 6–113(b)
 3 Annotated Code of Maryland
 4 (2003 Replacement Volume and 2006 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article 29 – Washington Suburban Sanitary District
 7 Section 6–113(c)
 8 Annotated Code of Maryland
 9 (2003 Replacement Volume and 2006 Supplement)

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

12 **Article 29 – Washington Suburban Sanitary District**

13 6–113.

14 (b) (1) Subject to the provisions of this section, in addition to any other
 15 charges authorized under this article, the WSSC may impose a system development
 16 charge that shall be paid by an applicant for new service.

17 (2) The system development charge shall be paid as follows:

18 (i) For residential properties:

19 1. 50% at the time the application is filed; and

20 2. 50% within 12 months after the date on which a
 21 plumbing permit application is filed with the Commission or on transfer of title to the
 22 property, whichever occurs first; and

23 (ii) For other properties, 100% at the time the plumbing permit
 24 application is filed.

25 (3) At the time of the filing of the plumbing permit application, the
 26 applicant shall deposit with the WSSC security in the form of an irrevocable letter of
 27 credit or a financial guaranty bond or in a form established and approved by the
 28 WSSC under its rules and regulations.

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

1 (ii) The amount of the charge for a particular property:

2 1. Shall be based on the number of plumbing fixtures
3 and the assigned values for those fixtures as set forth in the WSSC plumbing and gas
4 fitting regulations;

5 2. Except as provided in item 3 of this subparagraph, on
6 or after July 1, 1998, may not exceed \$200 per fixture unit;

7 3. For residential properties with five or fewer toilets,
8 shall be based on the number of toilets per dwelling unit and:

9 A. For each apartment unit, may not exceed \$2,000;

10 B. For dwellings with one or two toilets, may not exceed
11 \$3,000;

12 C. For dwellings with three to four toilets, may not
13 exceed \$5,000; or

14 D. For dwellings with five toilets, may not exceed \$7,000;
15 and

16 4. For dwellings with more than five toilets, shall be
17 calculated on a fixture unit basis.

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

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

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

25 2. May grant a full or partial exemption from the charge
26 for:

27 A. [revitalization] **REVITALIZATION** projects; **OR**

~~**B. PROPERTY OWNED BY A COMMUNITY-BASED ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE AND WHOSE PRIMARY MISSION AND PURPOSE IS TO PROVIDE PROGRAMS AND SERVICES TO YOUTH SO LONG AS THE PROPERTY IS USED PRIMARILY FOR SERVICES TO YOUTH; OR**~~

~~**C. PROJECTS THAT INCLUDE A COMMITMENT FOR THE PRESERVATION OF OPEN SPACE, UNDER THE DEFINITIONS, CONDITIONS, AND REQUIREMENTS AS JOINTLY AGREED ON BY THE COUNTY COUNCILS; and**~~

B. IF THE PROPERTY IS USED EXCLUSIVELY FOR PROGRAMS AND SERVICES TO YOUTH, PROPERTY OWNED BY A COMMUNITY-BASED ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE AND THAT HAS THE EXCLUSIVE MISSION AND PURPOSE OF PROVIDING PROGRAMS AND SERVICES TO YOUTH, PROVIDED THE EXEMPTION AMOUNT IS LIMITED TO \$80,000; AND

3. May grant a full or partial exemption from the charge, under conditions prescribed by the County Councils, for:

A. Residential property located in a mixed retirement development as defined in the zoning ordinance of Prince George's County;

B. Residential property located in a planned retirement community as defined in the zoning ordinance of Montgomery County;

C. Other elderly housing; or

D. Properties used for biotechnology research and development, or manufacturing.

(v) On July 1, 1999, and July 1 of each succeeding year, the maximum charge, as established in subparagraph (ii) of this paragraph, may be changed by an amount equal to the prior calendar year's change in the consumer price index published by the Bureau of Labor Statistics of the United States Department of Labor for urban wage earners and clerical workers for all items for the Washington, D.C. metropolitan area, or the successor index.

(2) If the charge established by the County Councils is less than the amount necessary to recover the full cost of constructing growth related facilities, the

1 WSSC shall identify the portion of the cost of that growth that will be paid by current
2 ratepayers as:

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

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

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

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

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

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

18 SECTION 2. AND BE IT FURTHER ENACTED, That the county councils of
19 Montgomery County and Prince George's County shall jointly report to the delegations
20 of Montgomery County and Prince George's County of the General Assembly on or
21 before June 30, 2009, on the entities receiving a full or partial exemption under
22 § 6-113 of Article 29 of the Annotated Code since authority was granted to the
23 Washington Suburban Sanitary Commission to authorize such exemptions, including
24 the date each exemption was granted, a general overview of how funding for the
25 exemptions from the system development charge authorized under § 6-113 of Article
26 29 has been appropriated by the Washington Suburban Sanitary Commission for each
27 fiscal year since authority was granted to authorize such exemptions, and a 5-year
28 action plan for improving on the process of granting such exemptions.

29 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
30 effect July 1, 2007. It shall remain effective for a period of 2 years and, at the end of
31 ~~July 1~~ June 30, 2009, with no further action required by the General Assembly, this
32 Act shall be abrogated and of no further force and effect.