

# CHAPTER 423

**(House Bill 667)**

AN ACT concerning

## **Washington Suburban Sanitary District – System Development Charge – Exemptions**

**MC/PG 116-07**

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

BY repealing and reenacting, without amendments,  
Article 29 – Washington Suburban Sanitary District  
Section 6-113(b)  
Annotated Code of Maryland  
(2003 Replacement Volume and 2006 Supplement)

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

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

**Article 29 – Washington Suburban Sanitary District**

6-113.

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

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

(i) For residential properties:

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

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

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

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

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

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

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

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

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

- A. For each apartment unit, may not exceed \$2,000;
- B. For dwellings with one or two toilets, may not exceed \$3,000;
- C. For dwellings with three to four toilets, may not exceed \$5,000; or
- D. For dwellings with five toilets, may not exceed \$7,000; and

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

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

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

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

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

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

(i) A percentage of any rate increase; and

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

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

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

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

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

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

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

**Approved by the Governor, May 8, 2007.**