

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1615

(St. Mary's County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

St. Mary's County Metropolitan Commission - System Improvement Charges

This bill specifies that the St. Mary's County Metropolitan Commission (MetCom) must impose and collect a system improvement charge for each property for which an equivalent dwelling unit (EDU) has been allocated, at the same time the EDU is allocated, regardless of whether or not a MetCom water distribution system or sewerage system has been built.

Fiscal Summary

State Effect: None.

Local Effect: The bill would not have a direct fiscal impact on MetCom or St. Mary's County; although MetCom advises it would correct an inconsistency that could otherwise subject it to a legal challenge that could possibly interfere with the timely collection of system improvement charges.

Small Business Effect: None.

Analysis

Current Law: For every property, whether improved or unimproved, binding on a street, road, lane, alley, right-of-way or easement in which a commission water distribution system or sewerage system has been built, MetCom must impose and collect a per EDU system improvement charge for every EDU allocated by the St. Mary's County Office of Land Use and Growth Management.

The system improvement charges must be assessed and payable on a monthly basis and must be used by the commission for costs associated with • capital costs of central treatment facility performance upgrades; • capital costs of the repair and replacement of existing water supply and/or sewer collection systems; and • existing debt.

Background: MetCom was created by the General Assembly in 1957 to supply water and sewer service to residents in St. Mary's County. As of May 1, 2005, MetCom operated 27 water systems and 4 sewer treatment plants and provided water service to 41,000 people and sewer service to 36,000 people. Its fiscal 2008 operating budget is \$10.3 million.

Chapter 261 of 2007 restructured the fees imposed by MetCom by repealing its authority to impose benefit assessment charges, and instead providing for the imposition and collection of a connection fee, a capital contribution charge, and a system improvement charge.

MetCom advises that the bill is intended to address an inconsistency between • the provision under current law specifying that the system improvement charge be collected once a water distribution system or sewerage system has been built; and • the provision specifying that collection of the system improvement charge be initiated immediately after an EDU is allocated for water or sewer service. According to MetCom, initiation of collection of the system improvement charge upon allocation of the EDU is the intended method of applying the charge and consistent with the method of collecting the former benefit assessment charges. The bill would enable MetCom to continue collecting the system improvement charge for properties prior to the completion of a water and sewerage system.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): St. Mary's County Metropolitan Commission, Department of Legislative Services

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