

HOUSE BILL 1139

L5
HB 926/08 – ENV

9lr0657

By: **Montgomery County Delegation and Prince George's County Delegation**
Introduced and read first time: February 13, 2009
Assigned to: Environmental Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 24, 2009

CHAPTER _____

1 AN ACT concerning

2 **Washington Suburban Sanitary Commission – System Development**
3 **Surcharge – Exemptions**

4 **MC/PG 104-09**

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 Commission for certain
8 properties owned by certain entities that are exempt from federal taxation and
9 whose primary use, mission, and purpose is to provide recreational and
10 educational programs and services to youth under certain circumstances;
11 extending through a certain date the authority of the county councils of
12 Montgomery County and Prince George's County to grant a certain exemption
13 from a certain system development charge; providing for the termination of this
14 Act; and generally relating to the Washington Suburban Sanitary Commission
15 and the system development charge.

16 BY repealing and reenacting, with amendments,
17 Article 29 – Washington Suburban Sanitary District
18 Section 6-113
19 Annotated Code of Maryland
20 (2003 Replacement Volume and 2008 Supplement)

21 BY repealing and reenacting, with amendments,
22 Chapter 423 of the Acts of the General Assembly of 2007
23 Section 3

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

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

4 6–113.

5 (a) (1) In this section the following words have the meanings indicated.

6 (2) “Fixture unit” means the assigned value for a particular plumbing
7 fixture, or group of plumbing fixtures, as set forth in the WSSC plumbing and gas
8 fitting regulations, standardized with a common lavatory having an assigned value of
9 1 based on its probable discharge into the drainage system or hydraulic demand on the
10 water supply.

11 (3) “New service” means:

12 (i) A first time connection of a property to the WSSC water or
13 sewer system; or

14 (ii) A new connection or increased water meter size for a
15 property previously or currently served by the WSSC if the new connection or
16 increased meter size is needed because of a change in the use of the property or an
17 increase in demand for service at the property.

18 (4) “Toilet” means a water closet, as set forth in the WSSC plumbing
19 and gas fitting regulations.

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

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

24 (i) For residential properties:

25 1. 50% at the time the application is filed; and

26 2. 50% within 12 months after the date on which a
27 plumbing permit application is filed with the Commission or on transfer of title to the
28 property, whichever occurs first; and

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

31 (3) At the time of the filing of the plumbing permit application, the
32 applicant shall deposit with the WSSC security in the form of an irrevocable letter of

1 credit or a financial guaranty bond or in a form established and approved by the
2 WSSC under its rules and regulations.

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

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

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

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

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

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

15 B. For dwellings with one or two toilets, may not exceed
16 \$3,000;

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

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

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

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

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

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

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

32 A. Revitalization projects; or

1 B. If the property is used [exclusively] **PRIMARYLY** for
2 **RECREATIONAL AND EDUCATIONAL** programs and services to youth, property
3 owned by a community-based organization that is exempt from taxation under §
4 501(c)(3) of the Internal Revenue Code and that has the [exclusive] **PRIMARY** mission
5 and purpose of providing **RECREATIONAL AND EDUCATIONAL** programs and services
6 to youth, provided the exemption amount is limited to \$80,000; and

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

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

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

13 C. Other elderly housing; or

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

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

22 (2) If the charge established by the County Councils is less than the
23 amount necessary to recover the full cost of constructing growth related facilities, the
24 WSSC shall identify the portion of the cost of that growth that will be paid by current
25 ratepayers as:

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

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

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

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

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

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

7 (d) (1) (i) The WSSC shall deposit all funds collected under the system
8 development charge into the system development charge fund.

9 (ii) The system development charge fund is a special fund which
10 may not revert to general funds of the WSSC.

11 (2) The WSSC may only use the funds collected under the system
12 development charge to:

13 (i) Pay for new treatment, transmission, and collection
14 facilities, the need for which is directly attributable to the addition of new service, and
15 the construction of which began after July 1, 1993; or

16 (ii) Amortize any bond that is issued in connection with the
17 construction of those new facilities.

18 (3) Other costs of enhancement, maintenance, or environmental
19 regulation on existing or new systems shall be borne equally by all ratepayers.

20 (e) (1) The WSSC may allow a developer to design and construct any
21 on-site or off-site facilities necessary for a project of the developer, as long as those
22 facilities are:

23 (i) In the WSSC Capital Improvement Program and the
24 10-year Comprehensive Water Supply and Sewerage System Plan adopted by one of
25 the County Councils;

26 (ii) Major projects included in the WSSC Capital Improvement
27 Program; or

28 (iii) Projects that include a sewer main or a water main that:

29 1. Provides only local service;

30 2. Is 2,000 feet or less;

31 3. Has a diameter of:

32 A. 15 inches or more if it is a sewer main; or

1 B. 16 inches or more if it is a water main; and

2 4. Is built to avoid unnecessary and uneconomical
3 duplication when a major project is constructed.

4 (2) A facility constructed under this subsection shall be designed,
5 constructed, and inspected in accordance with:

6 (i) The standards utilized by the WSSC; and

7 (ii) All applicable laws, regulations, and written policies of the
8 WSSC.

9 (3) After the WSSC approves facilities constructed by a developer
10 under this subsection, the WSSC shall:

11 (i) Accept the facilities as part of the WSSC system; and

12 (ii) Subject to the provisions of paragraph (4) of this subsection,
13 grant the developer a credit against any charge imposed under this section in an
14 amount equal to the cost of constructing those facilities.

15 (4) The internal auditor of the WSSC shall review and approve the
16 costs incurred by the developer.

17 (5) The WSSC and the developer shall enter into an agreement
18 incorporating the provisions of this subsection.

19 (6) If the WSSC rejects a developer's request to design and construct
20 facilities under this subsection, the WSSC shall submit to the developer a written
21 explanation of the reasons for the rejection.

22 (7) The WSSC shall submit a report at the end of each fiscal year to
23 the House and Senate Delegations of both counties and to the County Councils. The
24 report shall state the number of requests made by developers under this subsection
25 including the number of acceptances and rejections by the WSSC and the justification
26 for any rejections.

27 **Chapter 423 of the Acts of 2007**

28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 July 1, 2007. It shall remain effective for a period of [2] ~~5~~ **3** years AND 6 MONTHS
30 and, at the end of ~~June 30~~ DECEMBER 31, [2009] ~~2012~~ **2010**, with no further action
31 required by the General Assembly, this Act shall be abrogated and of no further force
32 and effect.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2009. It shall remain effective for a period of ~~3 years~~ 1 year and 6 months and,
3 at the end of ~~June 30~~ December 31, 2012 ~~2010~~, with no further action required by the
4 General Assembly, this Act shall be abrogated and of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.