

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 82

(Frederick County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

Frederick County - Overdue Water and Sewer Charge - Restoration of Service
Penalty

This bill requires the Frederick County Commissioners to establish a reasonable penalty for overdue water and sewer charges. Under current law, the penalty is set at \$10.

Fiscal Summary

State Effect: None.

Local Effect: Frederick County revenues may be affected, depending on the extent of any change in the penalty amount and the extent that the penalty acts as a deterrent against late payment of water and sewer charges. Expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Current Law: Frederick County must turn off the water for a property if the water and sewer charge remains unpaid 30 days after the date it was sent and after written notice was sent to the last known address of the property owner. The water service may not be turned on until the charge has been paid, along with a \$10 penalty.

Background: Frederick County advises that, as a result of unpaid water and sewer charges, water service was shut off and then returned to service for county properties on 1,011 occasions in calendar 2007 and on 1,194 occasions in calendar 2008.

Local Fiscal Effect: Frederick County advises that shutting off and then restoring water service for a property costs approximately \$100 in staff time, travel, and record keeping. Assuming the county commissioners decide upon a penalty amount of \$100 (or a \$90 increase to cover estimated costs), county revenues could increase by approximately \$99,000 on an annualized basis. This estimate assumes that 1,100 properties will be assessed a penalty, which reflects the average number over the last two years. However, to the extent that any increase in the penalty acts as a greater deterrent against delinquent payment of water and sewer charges, the increase in revenues may be lower.

Additional Information

Prior Introductions: None.

Cross File:SB 607 (Senators Brinkley and Mooney) - Education, Health, and Environmental Affairs.

Information Source(s): Frederick County, Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2009
ncs/mwc

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