

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 512

(Delegate Beitzel)

Environmental Matters

Education, Health, and Environmental Affairs

Environment - Garrett County Sanitary District - Imposition of Late Fees

This bill authorizes the Garrett County Sanitary District to charge an owner of a parcel serviced by or connected to a project that the district operates a late fee for any unpaid usage charge based on the use of the project by the parcel owner. The County Commissioners of Garrett County may require the payment of any late fees in addition to the currently authorized reconnection charge before water service is reconnected. A charge in default accrues interest from the date of default at a rate set by the county commissioners.

Fiscal Summary

State Effect: None.

Local Effect: Garrett County Sanitary District revenues may increase by about \$30,000 in FY 2013, which accounts for the bill's effective date, and by about \$40,000 annually thereafter due to the collection of late fees. Expenditures are not materially affected.

Small Business Effect: Minimal.

Analysis

Current Law: A sanitary commission may impose on the owners of parcels serviced by a water system project a minimum charge and a usage charge that is based on the use of the project. If a water bill is unpaid for 30 days after being sent, after written notice is left on the premises or mailed to the last known address of the owner, the sanitary commission may disconnect water service to the property and require payment of the water bill plus a reconnection charge that is related to the cost of reconnection and

established by ordinance of the relevant local government. If a bill for a minimum, usage, or reconnection charge is in default for 60 days, the charge is in default and becomes a lien on the property.

Exempt from these provisions relating to the establishment and governance of sanitary districts are Anne Arundel, Carroll, Harford, Montgomery, Prince George's, St. Mary's, and Wicomico counties.

Generally, county sanitary districts are governed by a sanitary commission. However, in Garrett County the commissioners are required to govern the district. Additionally, Garrett County is also subject to separate provisions pertaining to the enforcement of benefit assessments that are overdue by at least 60 days, which are typically levied to pay the principal and interest on bonds issued by a sanitary district. In Garrett County, as well as Allegany, Dorchester, and Somerset counties, the sanitary district may disconnect service in addition to the generally applicable enforcement measures, such as filing a lawsuit or enforcing a lien against the relevant property.

Background: Chapter 354 of 2011 established a separate process for unpaid fees in Somerset County that authorizes the sanitary district to charge a late fee plus interest charges. This bill extends the same authorization to the County Commissioners of Garrett County.

Local Revenues: Garrett County advises that, based on the number of late notices the Sanitary District sends per year, it anticipates late fee revenues will increase by about \$40,000 annually. Therefore, Garrett County Sanitary District revenues may increase by about \$30,000 in fiscal 2013, which reflects the bill's October 1, 2012 effective date. Legislative Services advises that it is unclear whether the Garrett County estimate reflects the collection of interest charges authorized by the bill or what fee Garrett County will charge under the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 19, 2012
mc/lgc

Analysis by: Evan M. Isaacson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510