

**Department of Legislative Services**  
Maryland General Assembly  
2014 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 1075

(Prince George's County Delegation and Montgomery  
County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

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**Washington Suburban Sanitary Commission - System Development Charge -  
Definitions**  
**PG/MC 106-14**

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This bill defines the terms “apartment unit” and “property” and alters the definition of the term “new service” with regards to system development charges of the Washington Suburban Sanitary Commission (WSSC).

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** None. The bill clarifies current law and does not alter the method by which WSSC collects system development charges or the amount of the charge.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The bill defines “apartment unit” as a single-family housing unit that (1) is one of multiple units within a building; (2) contains at least one full bath and one full kitchen; and (3) does not contain more than two toilets.

“Property” is defined as an improvement or building on a lot or parcel of land that contains plumbing fixtures.

“New service” is altered so that a first time connection to the WSSC’s water or sewer system may also include (1) a direct connection of an improvement or building or (2) a connection of the improvement or building through an existing on-site system.

**Current Law:** “New service” is a first time connection of a property to WSSC’s water or sewer system or a new connection or increased water meter size for a property previously or currently served by WSSC if the new connection or increased meter size is needed because of a change in the use of the property or an increase in the demand for service at the property.

**Background:** The WSSC system development charge is imposed on new development as a method to pay for capital expenses needed to accommodate growth in the bi-county area. It is reviewed and updated annually by the Montgomery and Prince George’s county councils. Legislation set a cap on the system development charge rates beginning in fiscal 1999, depending on the type of unit and how many toilets a unit contained; the rate cap is adjusted annually to account for inflation. **Exhibit 1** shows the system development charge rates and the rate caps for fiscal 2014.

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**Exhibit 1**  
**WSSC System Development Charge (Residential)**  
**Fiscal 2014**  
**(Per unit)**

<u>Residential Unit</u>	<u>Rate</u>	<u>Maximum Charge</u>
Apartment	\$2,036	\$2,820
1-2 Toilets	3,054	4,226
3-4 Toilets	5,090	7,047
5 Toilets	7,126	9,866
6 + Toilets (per fixture unit)	203	282

Source: WSSC Fiscal 2014 Approved Budget

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The WSSC *Capital Improvement Program* (CIP) for fiscal 2015-2020 assumes \$25.8 million in system development charges in fiscal 2015, \$26.3 million in fiscal 2016, \$26.8 million in fiscal 2017, and \$27.0 million in fiscal 2018 through 2020. The CIP assumes \$1.6 million in system development charge credits in each of those years.

WSSC is among the largest water and wastewater utilities in the country, providing water and sewer services to 1.8 million residents in Montgomery and Prince George’s counties. It has over 460,000 customer accounts, serves an area of around 1,000 square miles, and

currently employs more than 1,500 people. The commission operates three reservoirs, two water filtration plants, and six wastewater treatment plants. The six wastewater treatment facilities, as well as the Blue Plains Advanced Wastewater Treatment Plant, handle as much as 180 million gallons of wastewater per day. The commission maintains more than 5,600 miles of water main lines and nearly 5,500 miles of sewer main lines.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Washington Suburban Sanitary Commission, Department of Legislative Services

**Fiscal Note History:** First Reader - March 13, 2014  
mc/hlb Revised - House Third Reader - March 18, 2014

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