

# HOUSE BILL 910

L5

5lr2207

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By: **Montgomery County Delegation and Prince George's County Delegation**

Introduced and read first time: February 13, 2015

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2015

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Washington Suburban Sanitary Commission – Polybutylene Connection Pipe**  
3 **Replacement Loan Program**

4 **MC/PG 116–15**

5 FOR the purpose of requiring the Washington Suburban Sanitary Commission to establish  
6 a Polybutylene Connection Pipe Replacement Loan Program for replacement of  
7 certain pipes on certain property; requiring the Program to provide for certain  
8 eligibility requirements; requiring that the replacement of certain pipes be  
9 performed by a licensed plumber; prohibiting the Commission from replacing certain  
10 pipes; requiring the Program to require certain customers to repay the loan through  
11 a ~~surcharge~~ charge on the customer's water and sewer bill; prohibiting the  
12 Commission from setting a ~~surcharge~~ charge greater than an amount that allows the  
13 Commission to cover certain costs; providing that a person who acquires property  
14 subject to a certain ~~surcharge~~ charge assumes the obligation to pay the ~~surcharge~~;  
15 charge; providing that each loan provided under the Program is a lien against certain  
16 property and that the Commission is the sole holder of the lien; prohibiting the  
17 Program from providing more than a certain amount in loans; requiring the  
18 Commission to ~~finance loans made through the Program through the Commission's~~  
19 ~~general fund~~ establish the Polybutylene Connection Pipe Replacement Fund;  
20 specifying the purpose of the Fund; requiring the Commission to administer the  
21 Fund; specifying the contents of the Fund; specifying the purpose for which the Fund  
22 may be used; defining a certain term; providing for the termination of this Act; and  
23 generally relating to the Polybutylene Connection Pipe Replacement Loan Program  
24 of the Washington Suburban Sanitary Commission.

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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 BY adding to  
 2 Article – Public Utilities  
 3 Section 23–205  
 4 Annotated Code of Maryland  
 5 (2010 Replacement Volume and 2014 Supplement)

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

8 **Article – Public Utilities**

9 **23–205.**

10 (A) THE COMMISSION SHALL ESTABLISH A POLYBUTYLENE CONNECTION  
 11 PIPE REPLACEMENT LOAN PROGRAM.

12 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE LOANS TO  
 13 RESIDENTIAL CUSTOMERS TO FINANCE THE REPLACEMENT OF MALFUNCTIONING  
 14 POLYBUTYLENE PIPES ON CUSTOMER PROPERTY LOCATED IN THE COMMISSION’S  
 15 SERVICE AREA THAT CONNECT FROM SERVICE CONNECTIONS TO CUSTOMER  
 16 RESIDENCES.

17 (C) THE PROGRAM SHALL ~~PROVIDE FOR:~~

18 (1) PROVIDE FOR ELIGIBILITY REQUIREMENTS FOR PARTICIPATION  
 19 IN THE PROGRAM, INCLUDING ELIGIBILITY REQUIREMENTS FOR:

20 (I) THE TYPE OF CONNECTION PIPE THAT IS BEING INSTALLED  
 21 TO REPLACE THE EXISTING POLYBUTYLENE CONNECTION PIPE; AND

22 (II) CUSTOMERS APPLYING FOR A LOAN THROUGH THE  
 23 PROGRAM; ~~AND~~

24 (2) PROVIDE FOR LOAN TERMS AND CONDITIONS;

25 (3) REQUIRE THAT THE REPLACEMENT OF MALFUNCTIONING  
 26 POLYBUTYLENE PIPES UNDER THE PROGRAM BE PERFORMED BY A LICENSED  
 27 PLUMBER; AND

28 (4) PROHIBIT THE COMMISSION FROM REPLACING MALFUNCTIONING  
 29 POLYBUTYLENE PIPES UNDER THE PROGRAM.

30 (D) (1) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE  
 31 PROGRAM SHALL REQUIRE A CUSTOMER TO REPAY A LOAN PROVIDED UNDER THE

1 PROGRAM THROUGH A ~~SURCHARGE~~ SEPARATE CHARGE ON THE CUSTOMER'S  
2 WATER AND SEWER BILL.

3 (2) THE COMMISSION MAY NOT SET A ~~SURCHARGE~~ CHARGE GREATER  
4 THAN AN AMOUNT THAT ALLOWS THE COMMISSION TO RECOVER THE COSTS  
5 ASSOCIATED WITH:

6 (I) FINANCING THE LOAN; AND

7 (II) ADMINISTERING THE PROGRAM.

8 (3) A PERSON WHO ACQUIRES PROPERTY SUBJECT TO A ~~SURCHARGE~~  
9 CHARGE UNDER THIS SECTION ASSUMES THE OBLIGATION TO PAY THE ~~SURCHARGE~~  
10 CHARGE.

11 (4) (I) EACH LOAN PROVIDED UNDER THE PROGRAM SHALL BE A  
12 LIEN AGAINST THE PROPERTY ON WHICH THE MALFUNCTIONING POLYBUTYLENE  
13 PIPE HAS BEEN REPLACED THAT CONTINUES UNTIL THE LOAN IS PAID IN FULL TO  
14 THE COMMISSION.

15 (II) THE COMMISSION SHALL BE THE SOLE HOLDER OF THE  
16 LIEN ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

17 (5) THE PROGRAM MAY NOT PROVIDE MORE THAN \$1,000,000 TOTAL  
18 IN LOANS.

19 (E) ~~THE COMMISSION SHALL FINANCE LOANS MADE THROUGH THE~~  
20 ~~PROGRAM FROM THE COMMISSION'S GENERAL FUND~~

21 (1) IN THIS SECTION, "FUND" MEANS THE POLYBUTYLENE  
22 CONNECTION PIPE REPLACEMENT FUND.

23 (2) THERE IS A POLYBUTYLENE CONNECTION PIPE REPLACEMENT  
24 FUND.

25 (3) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING FOR THE  
26 POLYBUTYLENE CONNECTION PIPE REPLACEMENT LOAN PROGRAM.

27 (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE FUND  
28 SHALL BE ADMINISTERED SOLELY BY THE COMMISSION.

29 (5) THE FUND CONSISTS OF:

1                           **(I) MONEY APPROPRIATED BY THE COMMISSION FROM**  
2 **RATEPAYER FUNDS ONLY;**

3                           **(II) ANY INVESTMENT EARNINGS OF THE FUND; AND**

4                           **(III) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**  
5 **FOR THE BENEFIT OF THE FUND.**

6                           **(6) THE FUND MAY BE USED ONLY FOR PROVIDING LOANS THROUGH**  
7 **THE PROGRAM.**

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2015. It shall remain effective for a period of 10 years and, at the end of  
10 September 30, 2025, with no further action required by the General Assembly, this Act  
11 shall be abrogated and of no further force and effect.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.