

# HOUSE BILL 1552

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HB 910/15 – ENV

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By: **Prince George’s County Delegation and Montgomery County Delegation**  
Introduced and read first time: February 19, 2016  
Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

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

4 **PG/MC 115–16**

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 charge on the customer’s water and sewer bill or in another method determined by  
12 the Commission; prohibiting the Commission from setting a charge greater than an  
13 amount that allows the Commission to cover certain costs; providing that a person  
14 who acquires property subject to a certain charge assumes the obligation to pay the  
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; requiring the  
17 Commission to record a certain lien in the land records of the county where the  
18 property is located; prohibiting a certain lien for a certain loan with a certain  
19 principal amount from being established without a certain express consent;  
20 providing that a certain lien shall secure payment of a certain loan; providing that  
21 enforcement of a certain lien shall be in accordance with a certain Act; prohibiting a  
22 certain lien from taking priority over a certain existing lien, mortgage, deed of trust,  
23 or other security interest; prohibiting the Program from providing more than a  
24 certain amount in loans; establishing a Polybutylene Connection Pipe Replacement  
25 Fund; specifying the purpose of the Fund; requiring the Commission to administer  
26 the Fund; specifying the contents of the Fund; specifying the purpose for which the  
27 Fund may be used; defining a certain term; providing for the termination of this Act;  
28 and generally relating to the Polybutylene Connection Pipe Replacement Loan  
29 Program 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.



1 BY adding to  
2 Article – Public Utilities  
3 Section 23–205  
4 Annotated Code of Maryland  
5 (2010 Replacement Volume and 2015 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 TERRITORY THAT CONNECT FROM SERVICE CONNECTIONS TO CUSTOMER**  
16 **RESIDENCES.**

17 **(C) THE PROGRAM SHALL:**

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;**

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.**

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

4                   **(I) THROUGH A SEPARATE CHARGE ON THE CUSTOMER'S**  
5 **WATER AND SEWER BILL; OR**

6                   **(II) BY ANOTHER METHOD DETERMINED BY THE COMMISSION.**

7           **(2) THE COMMISSION MAY NOT SET A CHARGE GREATER THAN AN**  
8 **AMOUNT THAT ALLOWS THE COMMISSION TO RECOVER THE COSTS ASSOCIATED**  
9 **WITH:**

10                   **(I) FINANCING THE LOAN; AND**

11                   **(II) ADMINISTERING THE PROGRAM.**

12           **(3) A PERSON WHO ACQUIRES PROPERTY SUBJECT TO A CHARGE**  
13 **UNDER THIS SECTION ASSUMES THE OBLIGATION TO PAY THE CHARGE.**

14           **(4) (I) SUBJECT TO SUBPARAGRAPH (IV) OF THIS PARAGRAPH, A**  
15 **LOAN PROVIDED UNDER THE PROGRAM SHALL BE A LIEN AGAINST THE PROPERTY**  
16 **ON WHICH THE MALFUNCTIONING POLYBUTYLENE PIPE HAS BEEN REPLACED THAT**  
17 **CONTINUES UNTIL THE LOAN IS PAID IN FULL TO THE COMMISSION.**

18                   **(II) THE COMMISSION SHALL BE A SOLE HOLDER OF THE LIEN**  
19 **ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

20                   **(III) THE COMMISSION SHALL RECORD A LIEN ESTABLISHED**  
21 **UNDER THIS PARAGRAPH IN THE LAND RECORDS OF THE COUNTY WHERE THE**  
22 **PROPERTY IS LOCATED.**

23                   **(IV) 1. IF A LOAN PROVIDED UNDER THIS SECTION WILL BE**  
24 **IN THE PRINCIPAL AMOUNT OF \$15,000 OR GREATER, A LIEN MAY NOT BE**  
25 **ESTABLISHED UNDER THIS PARAGRAPH WITHOUT THE EXPRESS PRIOR CONSENT OF**  
26 **ANY HOLDER OF A MORTGAGE OR DEED OF TRUST ON A PROPERTY ON WHICH THE**  
27 **MALFUNCTIONING POLYBUTYLENE PIPE IS EXPECTED TO BE REPLACED THROUGH**  
28 **A LOAN PROVIDED UNDER THE PROGRAM.**

29                   **2. A LIEN ESTABLISHED UNDER THIS PARAGRAPH**  
30 **SHALL SECURE PAYMENT OF A LOAN, INCLUDING THE PRINCIPAL, INTEREST, LATE**  
31 **CHARGES, COST OF COLLECTION, AND REASONABLE ATTORNEY'S FEES.**

1                                   **3. ENFORCEMENT OF A LIEN ESTABLISHED UNDER THIS**  
2 **PARAGRAPH SHALL BE IN ACCORDANCE WITH THE MARYLAND CONTRACT LIEN**  
3 **ACT.**

4                                   **4. A LIEN ESTABLISHED UNDER THIS PARAGRAPH MAY**  
5 **NOT TAKE PRIORITY OVER A LIEN, MORTGAGE, DEED OF TRUST, OR OTHER**  
6 **SECURITY INTEREST THAT IS ALREADY ATTACHED TO THE PROPERTY AT THE TIME**  
7 **THE LIEN ESTABLISHED UNDER THIS PARAGRAPH IS RECORDED.**

8                   **(5) THE PROGRAM MAY NOT PROVIDE MORE THAN \$1,000,000 TOTAL**  
9 **IN LOANS.**

10           **(E) (1) IN THIS SUBSECTION, "FUND" MEANS THE POLYBUTYLENE**  
11 **CONNECTION PIPE REPLACEMENT FUND.**

12                   **(2) THERE IS A POLYBUTYLENE CONNECTION PIPE REPLACEMENT**  
13 **FUND.**

14                   **(3) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING FOR THE**  
15 **POLYBUTYLENE CONNECTION PIPE REPLACEMENT LOAN PROGRAM.**

16                   **(4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE FUND**  
17 **SHALL BE ADMINISTERED SOLELY BY THE COMMISSION.**

18                   **(5) THE FUND CONSISTS OF:**

19                                   **(I) MONEY APPROPRIATED BY THE COMMISSION FROM**  
20 **RATEPAYER FUNDS ONLY;**

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

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

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

26           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 October 1, 2016. It shall remain effective for a period of 10 years and, at the end of  
28 September 30, 2026, with no further action required by the General Assembly, this Act  
29 shall be abrogated and of no further force and effect.