

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 709

(Senators Eckardt and Ferguson)

Education, Health, and Environmental Affairs

Environment and Transportation

Environment - Water and Sewer Service

This bill authorizes a political subdivision, a sanitary commission, or an authority that provides water and sewer services to (1) develop and implement service affordability programs to assist homeowners having difficulty making payments for water and sewer services and (2) disconnect service to specified vacant property under certain circumstances. If the applicable service entity disconnects water or sewer service to a vacant property pursuant to the bill, service must be restored under specified circumstances. The bill also expresses the General Assembly's intent that homeowners have access to programs to assist them in making payment obligations for water and sewer services.

Fiscal Summary

State Effect: The bill primarily affects local government operations and does not materially affect State operations or finances. The bill is not anticipated to materially affect the Maryland Environmental Service.

Local Effect: Local revenues and expenditures may be affected for any local government that chooses to develop service affordability programs as a result of the bill. However, local governments are not required to do so.

Small Business Effect: Minimal or none.

Analysis

Bill Summary: A political subdivision, a sanitary commission, or an authority providing water and sewer services may develop and implement service affordability programs to

assist homeowners having difficulty making payments for services, including payment plans and round up programs in which ratepayers may donate to a fund to be used to provide payment assistance to homeowners.

A sanitary commission, political subdivision, or an authority may disconnect water or sewer service to a property upon a finding or notification from the governing body of the political subdivision in which the property is located that the property is (1) a vacant lot or (2) cited as vacant and unfit for habitation on a housing or building violation notice. The applicable service entity must restore service to the property on request by the property owner. However, prior to restoring service, the service entity may require (1) proof that all housing and building violation notices for the property have been resolved and (2) the property owner to pay all unpaid fees, charges, or assessments for service at the property and any reconnection fees.

Current Law: A sanitary commission may disconnect water or sewer service if a water bill is unpaid for 30 days after being sent and after written notice is left on the premises or mailed to the last known address of the owner. In Allegany, Dorchester, Garrett, and Somerset counties, the sanitary commission may disconnect water service to enforce the collection of an unpaid charge that is at least 60 days overdue.

If a water bill remains unpaid to a political subdivision after 30 days, the political subdivision must notify the owner in writing that the bill is late and service will be discontinued, leave notice on the owner's property or mail the notice to the owner's last known address, and discontinue service until the owner pays the bill and a reconnection charge. If a bill for sewerage service is unpaid for 45 days, a political subdivision may disconnect water service to the property, after providing notice.

A political subdivision that owns or operates a water system may contract with an authority to shut off the supply of water to any premises that are connected with any of the authority's sewerage systems. If the owner, tenant, or occupant of a premise connected to an authority's sewerage system fails to pay any rate, fee, or charge for the use or services of the system, the authority may shut off the water supply.

Background: Baltimore City advises that it has a number of assistance programs already in place to help customers who are struggling to pay a water, sewer, or stormwater charge, including a Senior Citizen Low-Income Discount Program, a Low-Income Water Assistance Program, and a Hardship Exemption Program. Additionally, the city allows payment plans to help customers who are in arrears. The extent to which other jurisdictions in Maryland offer similar assistance programs is unknown.

The U.S. Environmental Protection Agency (EPA) released a [comprehensive report](#) in April 2016, on water and wastewater utility customer assistance programs, which can be

found on EPA's website. The report discusses a range of possible programs along with their costs and benefits.

Local Fiscal Effect: To the extent that a sanitary commission, political subdivision, or authority chooses to implement an affordability program as a result of the bill, local revenues and expenditures may be affected. For example, Calvert County anticipates that offering multiple payment options to customers may reduce the costs of shutting off and restoring service, minimize tax sale situations, and increase revenues.

The bill's provision authorizing service entities to disconnect service to vacant property is not anticipated to materially affect local finances. Sanitary commissions, political subdivisions, and authorities already have the authority to disconnect water and sewer service for nonpayment. Some jurisdictions likely already have the authority to disconnect service to vacant lots under certain circumstances. For example, Baltimore City advises that it already turns off water service to vacant properties that have leaks and are endangering the structure or adjacent properties. Further, Baltimore City notes that although the bill's provisions relating to restoring service to vacant properties may have an operational impact, the impact is not expected to be significant.

Additional Information

Prior Introductions: None.

Cross File: HB 923 (Delegate Walker) - Environment and Transportation.

Information Source(s): Maryland Environmental Service; Baltimore City; Calvert, Montgomery, and Prince George's counties; City of Takoma Park; Maryland Department of the Environment; Public Service Commission; U.S. Environmental Protection Agency; Department of Legislative Services

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