

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1004

(Wicomico County Delegation)

Environment and Transportation

Education, Energy, and the Environment

Wicomico County - Sanitary District - Authorization

This bill authorizes Wicomico County to establish sanitary districts within the county.

Fiscal Summary

State Effect: None.

Local Effect: Potential increase in Wicomico County expenditures and revenues to the extent that sanitary districts are established by the Wicomico County Council.

Small Business Effect: None.

Analysis

Current Law: Certain county governments have the authority to establish sanitary districts or special taxing districts to provide sewer services to their residents. Currently, Wicomico County is only authorized to establish special taxing districts to provide infrastructure improvements, which include the development of sewer systems. Wicomico County is not authorized to establish sanitary districts.

Sanitary Districts

Section 9-601 of the Environment Article establishes the authority of certain county governments to establish sanitary districts for the benefit of county residents. However, this authorization is not provided to the following seven counties: Anne Arundel, Carroll, Harford, Montgomery, Prince George's, St. Mary's, and Wicomico.

Except for specified counties, by ordinance or resolution, the governing body of a county or the governing bodies of two or more counties may create a sanitary district. Each district is a public corporate body that exercises public and essential government functions for the public health and welfare. Each district, its income, its property, and its incorporation are exempt from any State or local taxation or assessments. However, when making required filings of corporate documents, each district may be required to pay the usual filing and recording fees, and service charges.

In general, sanitary districts have all the powers, privileges, and immunities granted to Maryland corporations under the Maryland General Corporation Law. Apart from Allegany and Garrett Counties, county sanitary districts are governed by sanitary commissions. Districts and commissions have various authorities specified in statute including the creation of service areas, the construction of facilities, the establishment of benefits assessments and connection charges, the issuance of bonds, and eminent domain authority.

Local Fiscal Effect: Wicomico County indicates that establishing sanitary districts within the county would have a significant financial impact; however, the actual cost cannot currently be calculated. The potential need to establish sanitary districts is due to the rise in the number of failing septic systems within the county. Establishing sanitary districts is one approach to address this issue.

Wicomico County Water and Sewerage Plan

Wicomico County has approximately 18,000 septic systems and currently does not have a central regulatory authority overseeing the operation of water and sewer facilities in the county.

In 2010, the Wicomico County Department of Public Works formulated a plan, *The Wicomico County Comprehensive Water and Sewerage Plan*, which was intended to, among other things, protect the health, safety, and welfare of the people of Wicomico County by maintaining and providing adequate water supply and sewerage systems. This plan highlighted the “sewer problem areas,” which is defined as areas with known failures and further potential for septic systems to fail. The results are high concentrations of nutrients and bacteria that can enter groundwater and surface water, causing contamination to the drinking water source and ultimately leading to a public health emergency.

To further assist the county in the implementation of its efforts, the Greater Salisbury Committee established the Wicomico Water and Sewer Committee, and together with the county executive, a water and sewer master plan was initiated in 2019. The committee recommended two paths for the elimination of septic systems which depend entirely on the

location of the septic system and existing municipal water and sewer infrastructure. Most importantly, it was determined that in order for the plan to be successfully implemented, Wicomico County must be the responsible entity for the county's water and sewer utilities, which requires the county to request legislation establishing sanitary districts within the county. The establishment of sanitary districts will assist in resolving the water and sewerage issues currently facing the county.

The committee has released a white paper report, which outlines the necessary steps to implement the plan. According to the report, it is anticipated to take a decade or more to fully implement the plan, and various funding sources from both the State and federal government will be explored for its implementation.

Additional Comments: At present, the Wicomico County government does not provide sewer services to county residents; however, six municipalities within Wicomico County currently provide sewer services to municipal residents. In fiscal 2021, municipal expenditures for sewer services totaled \$15.4 million (**Exhibit 1**). Approximately 45% of county residents live within a municipality.

Exhibit 1
Municipal Expenditures for Sewer Services in Wicomico County
Fiscal 2021

<u>Municipality</u>	<u>Sewer Expenditures</u>
Delmar	\$0
Fruitland	1,764,550
Hebron	203,152
Mardela Springs	0
Pittsville	408,639
Salisbury	12,520,718
Sharptown	169,445
Willards	310,973
Total	\$15,377,477

Source: Local Government Finances; Department of Legislative Services

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 246 (Senators Carozza and Mautz) - Education, Energy, and the Environment.

Information Source(s): Wicomico County; Greater Salisbury Committee; Maryland Department of the Environment; Department of Legislative Services

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