

HOUSE BILL 1230

L5

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By: **Montgomery County Delegation and Prince George's County Delegation**
Introduced and read first time: February 7, 2025
Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Washington Suburban Sanitary Commission – System Development Charge –**
3 **Exemptions**

4 **MC/PG 107–25**

5 FOR the purpose of requiring, rather than authorizing, the Montgomery County Council
6 and the Prince George's County Council to grant exemptions from the system
7 development charge imposed by the Washington Suburban Sanitary Commission for
8 certain properties and projects located in Montgomery County; altering the method
9 by which the county councils establish eligibility for the exemptions; prohibiting the
10 county councils from requiring that an applicant for an exemption for a property
11 located in Montgomery County own the property for which the exemption is sought;
12 requiring Montgomery County to approve applications for the exemptions on a
13 first–come, first–served basis until a certain maximum annual limit is reached; and
14 generally relating to the Washington Suburban Sanitary Commission and
15 exemptions from the system development charge.

16 BY repealing and reenacting, with amendments,
17 Article – Public Utilities
18 Section 25–403
19 Annotated Code of Maryland
20 (2020 Replacement Volume and 2024 Supplement)

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

23 **Article – Public Utilities**

24 25–403.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) Each year the Montgomery County Council and the Prince George's
2 County Council shall meet to determine the amount of the system development charge.

3 (2) The amount of the system development charge for a particular property:

4 (i) shall be based on the number of plumbing fixtures and the
5 assigned values for those fixtures as set forth in the Commission's plumbing and gas fitting
6 regulations;

7 (ii) except as provided in item (iii) of this paragraph and subsection
8 [(c)] (D) of this section, may not exceed \$200 per fixture unit; and

9 (iii) for residential properties with five or fewer toilets, shall be based
10 on the number of toilets per dwelling unit and:

11 1. for each apartment unit, may not exceed \$2,000;

12 2. for dwellings with one or two toilets, may not exceed
13 \$3,000;

14 3. for dwellings with three or four toilets, may not exceed
15 \$5,000;

16 4. for dwellings with five toilets, may not exceed \$7,000; and

17 5. for dwellings with more than five toilets, shall be
18 calculated on a fixture unit basis.

19 (3) When determining the system development charge, the county councils
20 shall consider the actual cost of construction of Commission facilities.

21 (b) When determining the system development charge, under [criteria]
22 DEFINITIONS established jointly and agreed on by the county councils, the county councils:

23 (1) shall grant a full or partial exemption from the charge for public
24 sponsored or affordable housing as jointly defined and agreed on by the county councils;

25 **(2) FOR PROPERTIES LOCATED IN MONTGOMERY COUNTY ONLY,**
26 **SHALL GRANT A FULL OR PARTIAL EXEMPTION FROM THE CHARGE FOR:**

27 **(I) 1. REVITALIZATION PROJECTS;**

28 **2. PROPERTY USED BY A COMMUNITY-BASED**
29 **ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE**
30 **INTERNAL REVENUE CODE AND HAS THE PRIMARY MISSION AND PURPOSE OF**

1 PROVIDING RECREATIONAL AND EDUCATIONAL PROGRAMS AND SERVICES TO
2 YOUTH, IF:

3 A. THE PROPERTY IS USED PRIMARILY FOR
4 RECREATIONAL AND EDUCATIONAL PROGRAMS AND SERVICES TO YOUTH; AND

5 B. THE EXEMPTION AMOUNT IS LIMITED TO \$80,000;

6 3. PROPERTY USED PRIMARILY FOR CHILD CARE OR
7 AFTER-SCHOOL CARE; OR

8 4. PROPERTY USED PRIMARILY FOR PROGRAMS AND
9 SERVICES FOR DEVELOPMENTALLY DISABLED INDIVIDUALS; AND

10 (II) UNDER DEFINITIONS SET FORTH BY THE COUNTY
11 COUNCILS:

12 1. RESIDENTIAL PROPERTY LOCATED IN A PLANNED
13 RETIREMENT COMMUNITY AS DEFINED IN THE ZONING ORDINANCE OF
14 MONTGOMERY COUNTY;

15 2. ELDERLY HOUSING OTHER THAN THAT INCLUDED IN
16 ITEM 1 OF THIS ITEM; AND

17 3. PROPERTIES USED FOR MANUFACTURING OR
18 BIOTECHNOLOGY RESEARCH AND DEVELOPMENT;

19 (3) FOR PROPERTIES LOCATED IN MONTGOMERY COUNTY ONLY, MAY
20 NOT REQUIRE THAT AN APPLICANT FOR AN EXEMPTION OWN THE PROPERTY FOR
21 WHICH AN EXEMPTION IS SOUGHT; AND

22 [(2)] (4) FOR PROPERTIES LOCATED IN PRINCE GEORGE'S COUNTY
23 ONLY, may grant a full or partial exemption from the charge for:

24 (i) 1. revitalization projects;

25 [(ii)] 2. property owned by a community-based organization that
26 is exempt from taxation under § 501(c)(3) of the Internal Revenue Code and has the primary
27 mission and purpose of providing recreational and educational programs and services to
28 youth, if:

29 [1.] A. the property is used primarily for recreational and
30 educational programs and services to youth; and

1 **[2.] B.** the exemption amount is limited to \$80,000;

2 **[(iii)] 3.** property used primarily for child care or after-school care;
3 or

4 **[(iv)] 4.** property used primarily for programs and services for
5 developmentally disabled individuals; and

6 **[(3)] (II)** [may grant a full or partial exemption from the system
7 development charge,] under [conditions] **DEFINITIONS** set forth by the county councils[,
8 for]:

9 **[(i)] 1.** residential property located in a mixed retirement
10 development as defined in the zoning ordinance of Prince George's County;

11 **[(ii)]** residential property located in a planned retirement community
12 as defined in the zoning ordinance of Montgomery County;

13 **[(iii)] 2.** elderly housing other than that included in item **[(i) or (ii)]**
14 **1** of this item; or

15 **[(iv)] 3.** properties used for manufacturing or biotechnology
16 research and development.

17 **(C) (1) MONTGOMERY COUNTY SHALL APPROVE APPLICATIONS FOR THE**
18 **EXEMPTIONS FROM THE SYSTEM DEVELOPMENT CHARGE REQUIRED UNDER**
19 **SUBSECTION (B) OF THIS SECTION ON A FIRST-COME, FIRST-SERVED BASIS UNTIL**
20 **THE MAXIMUM ANNUAL LIMIT, INCLUDING ANY UNUSED AMOUNTS CARRIED OVER**
21 **FROM A PRIOR FISCAL YEAR, IS REACHED.**

22 **(2) ON OR BEFORE OCTOBER 1 EACH YEAR, MONTGOMERY COUNTY**
23 **SHALL REPORT TO THE MEMBERS OF THE MONTGOMERY COUNTY DELEGATION TO**
24 **THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE**
25 **GOVERNMENT ARTICLE, ON THE EXEMPTIONS FROM THE SYSTEM DEVELOPMENT**
26 **CHARGE IN MONTGOMERY COUNTY REQUIRED UNDER SUBSECTION (B) OF THIS**
27 **SECTION FOR THE CURRENT AND IMMEDIATELY PRECEDING FISCAL YEAR,**
28 **INCLUDING:**

29 **(I) THE APPLICATION PROCESS FOR EACH EXEMPTION; AND**

30 **(II) FOR EACH EXEMPTION:**

31 **1. THE TOTAL NUMBER OF EXEMPTION APPLICATIONS**
32 **RECEIVED; AND**

