



Montgomery County

Office of Intergovernmental Relations

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HB 1230

DATE: April 1, 2025

SPONSOR: Montgomery County Delegation and Prince George's County Delegation

ASSIGNED TO: Education, Energy, and the Environment

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COUNTY POSITION: Support

Washington Suburban Sanitary Commission – System Development Charge – Exemptions

Current law requires the Washington Suburban Sanitary Commission (WSSC Water) to impose a System Development Charge (SDC) for new water and/or sewer service and requires the Montgomery County Council and Prince George's County Council to meet each year to establish the amount of WSSC Water's SDC. Current law requires the two Councils to establish a mandatory full or partial SDC exemption for publicly sponsored or affordable housing (amounts to be determined by the two Councils). Current law authorizes each Council to grant SDC exemptions (amounts to be determined by the two Councils) for: (1) revitalization projects; (2) property owned by a community-based organization whose primary mission is providing recreational and educational programs and services (up to a cap of \$80,000); (3) property used primarily for child care or after-school care; (4) property used primarily for programs and services for developmentally disabled individuals; (5) retirement communities and other elderly housing; and (6) property used for manufacturing or biotechnology research and development.

The two Councils establish SDC charges and SDC exemptions each year as a part of the annual budget approval process for WSSC Water. As an example, the Montgomery County Council passed a resolution on May 16, 2024 ([Resolution 20-509](#)) that established SDC charges for fiscal year 2025, defined the eligibility criteria for each SDC exemption category listed above, set the amounts of each exemption, and established a total maximum amount for all exemptions (currently \$500,000 per year).

The bill clarifies that the County must grant an exemption to eligible projects on a first come first serve basis until the total maximum amount approved by the Council is allocated. The Council retains authority to define eligibility criteria, set exemption amounts, and establish a total maximum amount for all exemptions. The bill specifies that Montgomery County may not require an applicant for an SDC exemption to own the property for which the exemption is sought. This part of the bill repeals an existing ownership requirement in State law that

applies to property used for recreational and educational programs and overrides ownership requirements established by the Montgomery County Council in its annual SDC resolution for property used for childcare and after-school purposes or for services to developmentally disabled individuals. Finally, the bill requires Montgomery County to submit an annual report to the Montgomery County Delegation each year that includes the application process for each exemption, total number of applications received, and total number and amount of exemptions.

Montgomery County supports the bill and respectfully requests that the Education, Energy, and the Environment give the bill a favorable report.