A BILL ENTITLED

AN ORDINANCE concerning: Public Works – Utilities – Water and Wastewater System Connections and Charges

FOR the purpose of eliminating the water and wastewater user connection charge; requiring a licensed utility contractor to submit and maintain a security with the Department; requiring work performed under a tap connection permit be subject to a warranty and security; adding a certain definition; eliminating the option to connect to the water or wastewater system under a private contract administered by the Department; establishing connection methods for water and wastewater system connections; requiring a tap connection permit and payment of a permit fee; providing for exceptions to the application of this Ordinance; and generally relating to public works.

BY repealing: § 13-5-813(c), (e), and (s)
Anne Arundel County Code (2005, as amended)

BY renumbering: §§ 13-5-813(j) through (q), (t), and (u), respectively, to be § 13-5-813(i) through (p), (r), and (s), respectively
Anne Arundel County Code (2005, as amended)
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BY repealing and reenacting, with amendments: §§ 13-5-110(a)(3); 13-5-404; 13-5-813(a), (d), (f), (g), (h), (i), and (r); 13-5-815(b); and 13-5-815.1(b), (c), (d), and (e)(i)
Anne Arundel County Code (2005, as amended)

BY adding: § 13-5-113; and 13-5-813(f)
Anne Arundel County Code (2005, as amended)

SECTION 1. Be it enacted by the County Council of Anne Arundel County, Maryland, That § 13-5-813(c), (e), and (s) of the Anne Arundel County Code (2005, as amended) be repealed.

SECTION 2. And be it further enacted, That § 13-5-813 (j) through (q), (t), and (u), respectively, of the Anne Arundel County Code (2005, as amended) is hereby renumbered to be § 13-5-813 (i) through (p), (r), and (s), respectively.

SECTION 3. Be it enacted by the County Council of Anne Arundel County, Maryland, That Section(s) of the Anne Arundel County Code (2005, as amended) read as follows:

ARTICLE 13. PUBLIC WORKS

TITLE 5. UTILITIES

13-5-110. Agreements with developers.

(a) Generally. The County may enter into agreements that:

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(3) waive front foot benefit charges [[and user connection charges]] when lateral lines are installed by a developer within or abutting properties that are being improved by the developer.


A LICENSED UTILITY CONTRACTOR ENGAGING IN THE INSTALLATION OF WATER OR SEWER SERVICES BY PERFORMING A TAP CONNECTION TO A WATER OR WASTEWATER MAINLINE SHALL SUBMIT AND MAINTAIN WITH THE DEPARTMENT A SECURITY IN THE AMOUNT OF $50,000, WHICH MAY SERVE AS SECURITY FOR MULTIPLE PERMITS AS LONG AS A CONSTANT BALANCE OF $50,000 IS MAINTAINED. THE WORK PERFORMED UNDER A TAP CONNECTION PERMIT SHALL BE SUBJECT TO THE SAME WARRANTY PERIOD AND WARRANTY TERMS THAT EXIST FOR WORK IN A COUNTY RIGHT-OF-WAY AS SET FORTH IN § 13-3-208 AND THE SAME REQUIREMENTS FOR A SECURITY THAT EXISTS FOR WORK IN A COUNTY RIGHT-OF-WAY AS SET FORTH IN § 13-3-301(C) THROUGH (E).

13-5-404. Fees and charges for property otherwise connecting.

For property receiving an allocation otherwise than in conjunction with approval of adequacy of public facilities by the Office of Planning and Zoning, the owner of the property shall pay, for each equivalent dwelling unit, [[the user connection charge and]] the capital facility connection charge as provided in §§ 13-5-813 and 13-5-814.
13-5-813. Water and wastewater system connection charges and assessments.

(a) Definitions. In this section, the following words have the meanings indicated.


(2) “Properties with existing improvements” means improved properties that are supplied water by means of a private well system when County water becomes available or improved properties that have wastewater service by means of a private septic system when County wastewater becomes available.

(3) “Properties with new improvements” means properties with new construction that do not have water supplied by means of a private well system when County water becomes available or properties with new construction that do not have wastewater service by means of a private septic system when County wastewater service becomes available.

(C) Water system capital facility connection charge. Except as provided in subsections (q), (t), and (u) for connections to the County’s water system, the capital facility connection charge for each equivalent dwelling unit is:

(1) $7,729;

(2) $8,501, beginning on July 1, 2020;

(3) $9,351, beginning on July 1, 2021; and

(4) $10,286, beginning on July 1, 2022.

(D) Wastewater system capital facility connection charge. Except as provided in subsections (q), (t), and (u) for connections to the County’s wastewater system, the capital facility connection charge for each equivalent dwelling unit is:

(1) $7,729;

(2) $8,501, beginning on July 1, 2020;

(3) $9,351, beginning on July 1, 2021; and

(4) $10,286, beginning on July 1, 2022.

(E) Properties with new improvements.

(1) For properties with a connection constructed under a private contract administered by the Department, whether residential or non-residential the user connection charge shall be paid as follows:
(i) A deposit in the amount of the certified cost of a connection as determined by the Director in accordance with subsection (s) shall be paid when an application for connection is made.

(ii) The Department shall provide an estimate of the cost of the connection, and prior to connection, the difference between the deposit paid in accordance with subsection (g)(1)(i) and the estimated cost shall be paid.

(iii) After the connection is completed, if the actual cost of the connection is less than the total amount paid under subsections (g)(1)(i) and (g)(1)(ii), the difference shall be refunded by the Department. If an application for connection, or payment under subsections (g)(1)(i) or (ii), is made for connections to both the water and wastewater system, the costs of both connections shall be totaled for purposes of determining whether a refund is owed under this subsection.

(2)] For [[a property]] PROPERTIES WITH NEW IMPROVEMENTS receiving an allocation under § 13-5-403, the capital facility connection charge shall be paid as provided in that section.

(F) Connection methods for water and wastewater services; tap connection fee. EXCEPT FOR A COUNTY CAPITAL PROJECT OR PETITION PROJECT INITIATED IN ACCORDANCE WITH § 13-5-303, CONNECTIONS TO THE COUNTY’S WATER OR WASTEWATER SYSTEM SHALL BE MADE IN ACCORDANCE WITH ONE OF THE FOLLOWING METHODS:

(1) AN OWNER SHALL BE REQUIRED TO ENTER INTO A PUBLIC WORKS AGREEMENT WITH THE COUNTY TO AUTHORIZE CONNECTION TO THE COUNTY’S WATER OR WASTEWATER SYSTEM IF:

(I) THE WATER OR WASTEWATER SERVICE IS TO BE INSTALLED WITHIN A RIGHT-OF-WAY OWNED BY THE STATE;

(II) THE WATER SERVICE PIPE SIZE IS GREATER THAN TWO INCHES IN DIAMETER OR THE WASTEWATER SERVICE PIPE SIZE IS GREATER THAN SIX INCHES IN DIAMETER;

(III) THERE ARE THREE OR MORE SERVICE CONNECTIONS TO BE INSTALLED WITHIN 500 FEET;

(IV) THE DEPTH OF THE WATER OR WASTEWATER DISTRIBUTION MAIN IS 18 FEET OR GREATER; OR

(V) AN EASEMENT IS NEEDED FOR ANY PART OF THE WATER OR WASTEWATER SERVICE CONNECTION.

(2) IF A PUBLIC WORKS AGREEMENT IS NOT REQUIRED IN ACCORDANCE WITH PARAGRAPH (1), THE OWNER SHALL APPLY FOR A WATER OR WASTEWATER SERVICE TAP CONNECTION PERMIT BEFORE MAKING A CONNECTION TO THE COUNTY’S WATER OR WASTEWATER SYSTEM. THE FEE FOR A TAP CONNECTION PERMIT SHALL BE $225 FOR EACH WATER OR WASTEWATER CONNECTION FOR EACH EQUIVALENT DWELLING UNIT. BEGINNING ON JULY 1, 2021, AND EACH JULY 1 THEREAFTER, THE DIRECTOR MAY ADJUST THE FEE BY A PERCENTAGE CHANGE CALCULATED BY DIVIDING THE CPI FOR APRIL OF THAT CALENDAR YEAR BY THE CPI FOR APRIL OF THE IMMEDIATELY PRECEDING CALENDAR YEAR. THE DIRECTOR SHALL GIVE WRITTEN NOTICE OF THE ANNUAL ADJUSTMENT TO THE OFFICE OF FINANCE AND TO THE COUNTY COUNCIL. THE ANNUAL ADJUSTMENT SHALL BE AUTOMATICALLY EFFECTIVE ON JULY 1 OF EACH YEAR.
Residential properties with existing improvements. Except for payments partially deferred in accordance with § 13-5-815.1, for residential properties with existing improvements, the applicable [user connection charge and] capital facility connection charge shall be paid as follows:

1. [[Both charges shall be paid in]] IN full when application for connection is made; or

2. Any portion [[of either charge]] may be paid when an application for connection is made and the remainder shall be financed in 30 annual installments, or for connections eligible for partial deferment under § 13-5-815.1, in 40 annual installments. The installments shall accrue annual interest at the bond rate established by the Controller as of the date of issuance of a construction contract notice to proceed for a petition project or, for all other connections, the date of issuance of a connection permit. Any installments shall be paid within 60 days of the billing date.

Nonresidential properties with existing improvements. For nonresidential properties with existing improvements and for which a connection is constructed under a County capital project or a petition project initiated in accordance with § 13-5-303, [[the user connection charge and]] the capital facility connection charge shall be paid in full when application for connection is made.

Exemption for volunteer fire companies. A fire station on property owned by a volunteer fire company formed pursuant to § 12-1-201 of this Code is exempt from the capital facility connection charges [[and user connection charges describe]] DESCRIBED in this section.

13-5-815. Exemption for elderly or disabled.

(b) Exemption. Any single-family dwelling owned and occupied by any person 60 years of age or older with a combined gross income that is less than the maximum income level, or a surviving spouse with a combined gross income that is less than the maximum income level, or a person receiving disability benefits as a result of a finding of permanent and total disability under the Social Security Act, the United States Civil Service Commission, Veterans’ Administration, or the Railroad Retirement Act shall be exempt from [[the user connection charges,]] capital facilities connection charges, capital facilities assessment charges, and front foot assessment charges until the sale or transfer of the property, at which time the above charges become due and payable by the property owner.

13-5-815.1. Partial deferral of residential wastewater system connection charges and assessments.

(b) Partial deferral. For connections to an extension of the County’s wastewater system within an eligible area, the owner of a residential property with existing improvements may choose to defer payment of up to 50%, separately or in total, of the assessment[[.]] AND the capital facility connection charges[[, and the user connection charges]] imposed under § 13-5-813 until the earlier of 40 years after the date of connection or upon a title transfer by deed of the property. The portion of any charge or assessment
that is not deferred shall be paid in accordance with §§ 13-5-601 et seq. and [[13-5-813(h)]]
13-5-813(G).

(c) **Interest rate.** The capital facility connection charges [[and user connection charges]] deferred under subsection (b) shall accrue annual interest at the bond rate established by the controller as of the date of issuance of a construction contract notice to proceed for the wastewater extension project.

(d) **Lien enforcement.** The capital facility connection charges [[and user connection charges]] deferred under subsection (b), any interest accrued under subsection (c), and any assessment charges deferred under subsection (b), shall be a lien on the property, subordinate only to the lien of State and County taxes and special benefit assessments, and payment shall be enforced at the same time and in the same manner as such taxes and assessments.

(e) **Payment of deferred charges and unpaid balance.** Upon the earlier of 40 years after the date of connection or title transfer by deed, except when at least one record owner remains the same either individually or as a trustee:

(i) The unpaid balance of the capital facility connection charges [[and user connection charges]], plus any interest accrued under subsection (c) and § [[13-5-813(h)]] 13-5-813(G), becomes due and payable;

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SECTION 4. *And be it further enacted,* That this Ordinance shall not be construed to apply to any connections to the County’s water or wastewater system installed prior to the effective date of this Ordinance or for which a connection permit was issued prior to the effective date of this Ordinance.

SECTION 5. *And be it further enacted,* That this Ordinance shall not be construed to apply to any user connection charge that was deferred, financed, or assessed prior to the effective date of this Ordinance, and any user connection charge that was deferred, financed, or assessed prior to the effective date of this Ordinance shall continue to be deferred, financed, assessed, and paid and collected in accordance with the provisions of the Anne Arundel County Code in effect prior to the effective date of this Ordinance governing the deferral, financing, assessment, and payment and collection of the user connection charge.

SECTION 6. *And be it further enacted,* That this Ordinance may not be construed to apply to any real property to be served by the projects known as “Coriander Place – Gingerville Water Project, No. W805901”, “Heritage Harbour Water Takeover, Capital Project Number W805700”, and “Heritage Harbour Sewer Takeover, Capital Project Number S807500” (collectively, the “projects”), and the properties to be served by the projects shall be subject to the applicable user connection charges, at the rate for the user connection charges in effect as of March 1, 2020, to be paid, collected, deferred, financed, or assessed in accordance with the provisions of the Anne Arundel County Code in effect prior to the effective date of this Ordinance governing the deferral, financing, assessment, and payment and collection of the user connection charge.
SECTION 6. 7. And be it further enacted, That this Ordinance shall take effect 45 days from the date it becomes law.

AMENDMENTS ADOPTED: November 2, 2020

READ AND PASSED this 16th day of November, 2020

By Order:

[Signature]
JoAnne Gray
Administrative Officer

PRESENTED to the County Executive for his approval this 17th day of November, 2020

[Signature]
JoAnne Gray
Administrative Officer

APPROVED AND ENACTED this 25th day of November, 2020

[Signature]
Steuart Pittman
County Executive

EFFECTIVE DATE: January 9, 2021

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF BILL NO. 85-20, THE ORIGINAL OF WHICH IS RETAINED IN THE FILES OF THE COUNTY COUNCIL.

[Signature]
JoAnne Gray
Administrative Officer