

Bill No.: _____

Requested: _____

Committee: _____

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By: Prince George’s County Delegation and Montgomery County Delegation

A BILL ENTITLED

1 AN ACT concerning

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

4 **PG/MC 106–08**

5 FOR the purpose of authorizing the county councils of Montgomery County and Prince
6 George’s County to grant an exemption from a system development charge
7 imposed by the Washington Suburban Sanitary Commission for certain
8 properties owned by certain entities that are exempt from federal taxation and
9 whose primary use, mission, and purpose is to provide programs and services to
10 youth under certain circumstances; extending through a certain date the
11 authority of the county councils of Montgomery County and Prince George’s
12 County to grant a certain exemption from a certain system development charge;
13 providing for the termination of this Act; and generally relating to the
14 Washington Suburban Sanitary Commission and the system development
15 charge.

16 BY repealing and reenacting, with amendments,
17 Article 29 – Washington Suburban Sanitary District
18 Section 6–113
19 Annotated Code of Maryland
20 (2003 Replacement Volume and 2007 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



21 BY repealing and reenacting, with amendments,
22 Chapter 423 of the Acts of the General Assembly of 2007
23 Section 3

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

26 **Article 29 – Washington Suburban Sanitary District**

27 6–113.

28 (a) (1) In this section the following words have the meanings indicated.

29 (2) “Fixture unit” means the assigned value for a particular plumbing
30 fixture, or group of plumbing fixtures, as set forth in the WSSC plumbing and gas
31 fitting regulations, standardized with a common lavatory having an assigned value of
32 1 based on its probable discharge into the drainage system or hydraulic demand on the
33 water supply.

34 (3) “New service” means:

35 (i) A first time connection of a property to the WSSC water or
36 sewer system; or

37 (ii) A new connection or increased water meter size for a
38 property previously or currently served by the WSSC if the new connection or
39 increased meter size is needed because of a change in the use of the property or an
40 increase in demand for service at the property.

41 (4) “Toilet” means a water closet, as set forth in the WSSC plumbing
42 and gas fitting regulations.

43 (b) (1) Subject to the provisions of this section, in addition to any other
44 charges authorized under this article, the WSSC may impose a system development
45 charge that shall be paid by an applicant for new service.

46 (2) The system development charge shall be paid as follows:

- 47 (i) For residential properties:
- 48 1. 50% at the time the application is filed; and
- 49 2. 50% within 12 months after the date on which a
- 50 plumbing permit application is filed with the Commission or on transfer of title to the
- 51 property, whichever occurs first; and
- 52 (ii) For other properties, 100% at the time the plumbing permit
- 53 application is filed.
- 54 (3) At the time of the filing of the plumbing permit application, the
- 55 applicant shall deposit with the WSSC security in the form of an irrevocable letter of
- 56 credit or a financial guaranty bond or in a form established and approved by the
- 57 WSSC under its rules and regulations.
- 58 (c) (1) (i) The Montgomery County Council and the Prince George's
- 59 County Council shall meet annually to discuss and approve the amount of the system
- 60 development charge.
- 61 (ii) The amount of the charge for a particular property:
- 62 1. Shall be based on the number of plumbing fixtures
- 63 and the assigned values for those fixtures as set forth in the WSSC plumbing and gas
- 64 fitting regulations;
- 65 2. Except as provided in item 3 of this subparagraph, on
- 66 or after July 1, 1998, may not exceed \$200 per fixture unit;
- 67 3. For residential properties with five or fewer toilets,
- 68 shall be based on the number of toilets per dwelling unit and:
- 69 A. For each apartment unit, may not exceed \$2,000;
- 70 B. For dwellings with one or two toilets, may not exceed
- 71 \$3,000;

72 C. For dwellings with three to four toilets, may not
73 exceed \$5,000; or

74 D. For dwellings with five toilets, may not exceed \$7,000;
75 and

76 4. For dwellings with more than five toilets, shall be
77 calculated on a fixture unit basis.

78 (iii) When establishing the charge under this section, the County
79 Councils shall identify and consider the actual cost of construction of WSSC facilities.

80 (iv) When establishing the charge under this section, under
81 criteria established jointly and agreed to by the County Councils, the County Councils:

82 1. Shall grant a full or partial exemption from the
83 charge for public sponsored or affordable housing as jointly defined and agreed upon
84 by the County Councils;

85 2. May grant a full or partial exemption from the charge
86 for:

87 A. Revitalization projects; or

88 B. If the property is used [exclusively] **PRIMARILY** for
89 programs and services to youth, property owned by a community-based organization
90 that is exempt from taxation under § 501(c)(3) of the Internal Revenue Code and that
91 has the [exclusive] **PRIMARY** mission and purpose of providing programs and services
92 to youth, provided the exemption amount is limited to \$80,000; and

93 3. May grant a full or partial exemption from the charge,
94 under conditions prescribed by the County Councils, for:

95 A. Residential property located in a mixed retirement
96 development as defined in the zoning ordinance of Prince George's County;

97 B. Residential property located in a planned retirement
98 community as defined in the zoning ordinance of Montgomery County;

99 C. Other elderly housing; or

100 D. Properties used for biotechnology research and
101 development, or manufacturing.

102 (v) On July 1, 1999, and July 1 of each succeeding year, the
103 maximum charge, as established in subparagraph (ii) of this paragraph, may be
104 changed by an amount equal to the prior calendar year's change in the consumer price
105 index published by the Bureau of Labor Statistics of the United States Department of
106 Labor for urban wage earners and clerical workers for all items for the Washington,
107 D.C. metropolitan area, or the successor index.

108 (2) If the charge established by the County Councils is less than the
109 amount necessary to recover the full cost of constructing growth related facilities, the
110 WSSC shall identify the portion of the cost of that growth that will be paid by current
111 ratepayers as:

112 (i) A percentage of any rate increase; and

113 (ii) The annual monetary amount on a typical residential
114 customer's annual water and sewer bill.

115 (3) If the County Councils do not agree on the amount of the charge,
116 the charge imposed during the previous year shall continue in effect for the following
117 fiscal year.

118 (4) If the County Councils have not previously agreed on any system
119 development charge, a system development charge may not be imposed during that
120 fiscal year.

121 (5) (i) Before July 1, 1994, the WSSC may not impose a system
122 development charge in an amount greater than 50% of the charge established by the
123 County Councils under this subsection.

124 (ii) Before July 1, 1995, the WSSC may not impose a system
125 development charge greater than 75% of the charge established by the County
126 Councils under this subsection.

127 (d) (1) (i) The WSSC shall deposit all funds collected under the system
128 development charge into the system development charge fund.

129 (ii) The system development charge fund is a special fund which
130 may not revert to general funds of the WSSC.

131 (2) The WSSC may only use the funds collected under the system
132 development charge to:

133 (i) Pay for new treatment, transmission, and collection
134 facilities, the need for which is directly attributable to the addition of new service, and
135 the construction of which began after July 1, 1993; or

136 (ii) Amortize any bond that is issued in connection with the
137 construction of those new facilities.

138 (3) Other costs of enhancement, maintenance, or environmental
139 regulation on existing or new systems shall be borne equally by all ratepayers.

140 (e) (1) The WSSC may allow a developer to design and construct any
141 on-site or off-site facilities necessary for a project of the developer, as long as those
142 facilities are:

143 (i) In the WSSC Capital Improvement Program and the
144 10-year Comprehensive Water Supply and Sewerage System Plan adopted by one of
145 the County Councils;

146 (ii) Major projects included in the WSSC Capital Improvement
147 Program; or

148 (iii) Projects that include a sewer main or a water main that:

149 1. Provides only local service;

150 2. Is 2,000 feet or less;

151 3. Has a diameter of:

- 152 A. 15 inches or more if it is a sewer main; or
- 153 B. 16 inches or more if it is a water main; and
- 154 4. Is built to avoid unnecessary and uneconomical
155 duplication when a major project is constructed.
- 156 (2) A facility constructed under this subsection shall be designed,
157 constructed, and inspected in accordance with:
- 158 (i) The standards utilized by the WSSC; and
- 159 (ii) All applicable laws, regulations, and written policies of the
160 WSSC.
- 161 (3) After the WSSC approves facilities constructed by a developer
162 under this subsection, the WSSC shall:
- 163 (i) Accept the facilities as part of the WSSC system; and
- 164 (ii) Subject to the provisions of paragraph (4) of this subsection,
165 grant the developer a credit against any charge imposed under this section in an
166 amount equal to the cost of constructing those facilities.
- 167 (4) The internal auditor of the WSSC shall review and approve the
168 costs incurred by the developer.
- 169 (5) The WSSC and the developer shall enter into an agreement
170 incorporating the provisions of this subsection.
- 171 (6) If the WSSC rejects a developer's request to design and construct
172 facilities under this subsection, the WSSC shall submit to the developer a written
173 explanation of the reasons for the rejection.
- 174 (7) The WSSC shall submit a report at the end of each fiscal year to
175 the House and Senate Delegations of both counties and to the County Councils. The
176 report shall state the number of requests made by developers under this subsection

177 including the number of acceptances and rejections by the WSSC and the justification
178 for any rejections.

179 **Chapter 423 of the Acts of 2007**

180 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
181 July 1, 2007. It shall remain effective for a period of [2] **5** years and, at the end of
182 June 30, [2009] **2012**, with no further action required by the General Assembly, this
183 Act shall be abrogated and of no further force and effect.

184 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
185 July 1, 2008. It shall remain effective for a period of 4 years and, at the end of June
186 30, 2012, with no further action required by the General Assembly, this Act shall be
187 abrogated and of no further force and effect.