

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 518

(Washington County Senators)

Budget and Taxation

Environment and Transportation

Washington County - Collection of Fees, Charges, Penalties, and Assessments

This bill authorizes Washington County to include, for the purpose of collection, unpaid allocation fees, water and sewerage charges, penalties, and assessments on annual property tax bills. The bill requires the fees, charges, penalties, and assessments to be collected in the same manner as ordinary taxes, subject to the same interest and penalty for nonpayment as provided by law for the nonpayment of county taxes.

Fiscal Summary

State Effect: None.

Local Effect: Minimal. To the extent the bill enables Washington County to collect water and sewer charges that would otherwise be unpaid, county revenues would increase.

Small Business Effect: None.

Analysis

Current Law: In Washington County, all unpaid allocation fees, water charges, sewerage charges, penalties, and assessments, whether billed or unbilled, constitute a lien against the property served.

Background: Washington County water and sewer customers are billed quarterly with rates determined each year using a cost based financial model. Revenue projections are calculated using a history of the customer base and any known factors of growth. Washington County's fiscal 2016 budget assumes \$9,825,100 in water and sewer charges that are dedicated to the county's Water Quality Fund. The fiscal 2016 budget also assumes

\$402,280 in allocation fees. The allocation fees are projected based on average growth factors in addition to any new service areas. Total revenues for the Water Quality Fund in fiscal 2016 are estimated at \$17.1 million.

Washington County reports that as of January 31, 2016, there are 142 accounts with a combined total of \$278,325 in unpaid water and sewer charges that are over 120 days late.

Local Fiscal Effect: The bill provides Washington County another mechanism to collect unpaid water and sewer charges. The county advises that, in some instances, water service can be shut off for overly delinquent accounts. With regards to unpaid sewer only charges, some properties have the infrastructure to allow sewer lines to be plugged but others do not.

Additional Information

Prior Introductions: None.

Cross File: HB 831 (Washington County Delegation) - Environment and Transportation.

Information Source(s): Washington County, Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2016
mel/jrb

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