

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 887 (St. Mary's County Delegation)
Environment and Transportation

Budget and Taxation

St. Mary's County – Metropolitan Commission – New Facilities

This bill updates the Public Local Laws of St. Mary's County to require the St. Mary's County Metropolitan Commission (MetCom) to obtain approval from the St. Mary's County Commissioners of any loan application where MetCom seeks to incur debt on the full faith and credit of the county prior to the submission of the loan application to a lender, as specified. The bill defines "new facility" and updates the definition of "service area" in the county. The bill also codifies existing practices of MetCom and makes conforming and technical changes.

Fiscal Summary

State Effect: None.

Local Effect: The bill does not materially affect St. Mary's County operations or finances, as discussed below.

Small Business Effect: None.

Analysis

Bill Summary/Current Law: The bill defines "new facility" or "new facilities" as each water or sewerage system that is either a new system or an expansion or extension of an existing system, which provides new water or sewerage service to properties not previously served by public water or sewer.

Under current law, “service area” is defined as any area of St. Mary’s County identified as a growth area in the St. Mary’s County Comprehensive Land Use Plan. The bill redefines “service area” as any water service area and sewerage service area in the county identified in the St. Mary’s County Comprehensive Water and Sewerage Plan.

Under current law, the county commissioners must review and approve any loan application before MetCom submits the loan application to a lender. The bill requires that except for refunding, refinancing and similar transactions where no additional debt liability would be incurred, MetCom must submit for review and approval from the county commissioners, any loan application where MetCom seeks to incur debt on the full faith and credit of the county, before MetCom submits the loan application to a lender.

Under current law, the costs associated with any changes to adjust, accommodate, or remove any structures or obstructions, as specified, that block or impede the construction and establishment of MetCom’s water supply or sewerage systems *must* be borne and paid for by MetCom. The bill requires that the costs of such changes *may* be borne and paid for in full or in part by MetCom subject to a prior rights determination by MetCom.

Local Expenditures: MetCom advises that the bill’s changes are procedural in nature and represent a streamlining of existing practice. All debts incurred by MetCom are paid for by MetCom. St. Mary’s County only provides full faith and credit on the debt incurred by MetCom; thus, the bill will not materially affect St. Mary’s County operations or finances.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of the Environment; St. Mary’s County; St. Mary’s County Metropolitan Commission; Department of Legislative Services

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