

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Preliminary

PG/MC 112-18

(Prince George's County Delegation and Montgomery
County Delegation)

Washington Suburban Sanitary Commission - Service Charges PG/MC 112-18

This proposed bill authorizes the Washington Suburban Sanitary Commission (WSSC) to establish one or more customer classes for any service rate or charge as well as one or more service rates to provide funds for specified uses by the commission. The bill also requires a minimum or ready to serve charge to include an infrastructure investment component; authorizes, rather than requires, the minimum or ready to serve charge to be based on the size of the meter on the water connection leading to the property; and further authorizes the minimum or ready to serve charge to be based on other criteria in accordance with regulations adopted by the commission. The bill authorizes the charge for water to also be based on the size of the meter on the water connection leading to the property.

If, on or after January 1, 2020, the commission chooses to establish multiple customer classes, the commission must establish a Bi-County Working Group to review potential customer classes and other rate features or charges that could be implemented with a nonuniform rate requirement for all customers in the sanitary district. The working group must report its recommendations to the commission and the commission's general manager by July 1, 2020.

The bill takes effect January 1, 2020.

Fiscal Summary

State Effect: None.

Local Effect: None. The bill authorizes WSSC to alter the method it uses to set service rates or charges. WSSC advises that any alterations to the current rate structures would be designed to be revenue neutral.

Small Business Effect: None.

Analysis

Current Law: WSSC is required to set a service rate that it considers necessary to provide funds for (1) maintaining, repairing, and operating its water supply and sewer systems, including the overhead expense and depreciation allowance and (2) making any payments to the District of Columbia.

The service rate (1) must be chargeable against all properties for a connection with any line owned by WSSC; (2) must be uniform throughout the sanitary district; and (3) may be changed as necessary.

The service rate for water consists of a minimum or a ready to serve charge and a charge for water used. The minimum or ready to serve charge must be based on the size of the meter on the water connection leading to the property. The charge for water used must be based on the amount of water passing the meter during the period between the last two readings.

WSSC may provide that a specified minimum number of gallons of water be included in the minimum or ready to serve charge without additional service charges for the water and may vary with the size of the meter involved.

Background: Testimony at public hearings for previously introduced bills indicated that the bill is needed to codify WSSC's current practice and that it responds to constituent concerns that the current rate structure is unfair to large families.

Local Fiscal Effect: WSSC advises that the bill provides the commission flexibility to set service rates and charges in an equitable manner. The commission also advises that it is working with local governments and other interested parties within the sanitary district to revise its rate structure for fiscal 2019 so that it will be revenue neutral.

Additional Information

Prior Introductions: HB 336 of 2017 was assigned to the House Environment and Transportation Committee, but no further action was taken. A similar bill, HB 1575 of 2016, was assigned to the House Rules and Executive Nominations Committee, but no further action was taken.

Cross File: Unavailable at this time.

Information Source(s): Washington Suburban Sanitary Commission; Department of Legislative Services

Fiscal Note History:
md/hlb

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