

# HOUSE BILL 678

M3

11r2365  
CF 11r2633

---

By: **Delegates Otto and McDermott**

Introduced and read first time: February 9, 2011

Assigned to: Environmental Matters

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Water and Sewer Service – Late Fees**

3 FOR the purpose of authorizing a sanitary commission to charge a late fee for certain  
4 unpaid water and sewer usage charges; providing that when a certain charge is  
5 in default it will accrue interest from a certain date and at a certain rate; and  
6 generally relating to water and sewer service charges.

7 BY repealing and reenacting, without amendments,  
8 Article – Environment  
9 Section 9–601(a), (d), (j), and (k)  
10 Annotated Code of Maryland  
11 (2007 Replacement Volume and 2010 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Environment  
14 Section 9–662  
15 Annotated Code of Maryland  
16 (2007 Replacement Volume and 2010 Supplement)

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

19 **Article – Environment**

20 9–601.

21 (a) In this subtitle the following words have the meanings indicated.

22 (d) (1) “District” means an entity that is created under this subtitle.

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (2) “District” includes a board, body, or commission that assumes the  
2 principal functions of a district that is created under this subtitle and later abolished.

3           (j) “Project” means a water system, sewerage system, solid waste disposal  
4 system, or solid waste acceptance facility or any part of these that a district owns,  
5 constructs, or operates.

6           (k) “Sanitary commission” means a sanitary commission created under this  
7 subtitle.

8 9–662.

9           (a) For each project that it operates, a district may charge the owners of  
10 parcels serviced by or connected to the project:

11               (1) A minimum charge; [and]

12               (2) A usage charge that is based on the use of the project by the owner  
13 of the parcel; **AND**

14               **(3) A LATE FEE FOR ANY UNPAID USAGE CHARGE.**

15           (b) The district shall use funds received from charges made under this  
16 section:

17               (1) To operate, maintain, and repair the project;

18               (2) To maintain proper depreciation allowances;

19               (3) To pay operation expenses of the district;

20               (4) To repay advances made by member counties under § 9–628 of this  
21 subtitle; and

22               (5) To pay the principal and interest on bonds issued under this  
23 subtitle.

24           (c) For water service, the sanitary commission:

25               (1) Shall make a minimum charge:

26                       (i) That is based on the size of the meter serving the property  
27 and is uniform throughout the service area for each size of meter; and

28                       (ii) That, for properties to which no meter is connected, is  
29 reasonable and uniform throughout the service area; and

1           (2) Subject to the meter size and uniformity requirements of this  
2 subsection, may change the minimum charge as necessary.

3           (d) For sewerage service, the sanitary commission shall:

4                 (1) Make a minimum charge that is reasonable and uniform  
5 throughout the service area; and

6                 (2) Collect, each year, the minimum charge in the same manner as the  
7 sanitary commission collects benefit assessments.

8           (e) If a minimum charge for sewerage service is unpaid, the minimum charge  
9 has the same status as an unpaid benefit assessment.

10          (f) For solid waste disposal systems, the sanitary commission shall make a  
11 minimum charge that is reasonable and uniform throughout the service area.

12          (g) If the sanitary commission uses a water meter, the sanitary commission  
13 shall connect the water meter at the sanitary commission's expense.

14          (h) For water usage, the sanitary commission shall make a charge that:

15                 (1) Is based on meter readings; or

16                 (2) If no water meter is connected to the property, is:

17                         (i) Based on the estimated water usage; and

18                         (ii) Uniform among unmetered properties in the service area.

19          (i) For sewerage systems and solid waste disposal systems, the sanitary  
20 commission shall make a reasonable usage charge.

21          (j) Except for bills for minimum charges for sewerage services, the sanitary  
22 commission:

23                 (1) Shall send to each property owner:

24                         (i) For water service, a bill for minimum charges and usage  
25 charges for water once each 3 or 6 months; and

26                         (ii) For other charges, a bill once each 3, 6, or 12 months; and

27                 (2) May stagger the frequency and dates of bills sent under this  
28 section.

29          (k) The property owner promptly shall pay any bill sent under this section.

## HOUSE BILL 678

1           (1)     If a water bill is unpaid for 30 days after being sent, and after written  
2 notice is left on the premises or mailed to the last known address of the owner, the  
3 sanitary commission may:

4                   (1)     Disconnect water service to the property; and

5                   (2)     Require, before reconnecting water service, payment of the entire  
6 water bill plus **ANY APPLICABLE LATE FEES AND** a reconnection charge reasonably  
7 related to the cost of reconnection, as established by ordinance of the governing body of  
8 the county or municipal corporation in which the water service is provided.

9           (m)    (1)     If a charge for which a bill sent under this section is in default 60  
10 days after the bill is sent, the charge is in default.

11                   (2)     When a charge is in default, [it is] **THE CHARGE:**

12                               **(I)     SHALL ACCRUE INTEREST FROM THE DATE OF DEFAULT**  
13 **AT A RATE SET BY THE SANITARY COMMISSION; AND**

14                               **(II)    IS a lien on the property [and the].**

15                   **(3)     THE** sanitary commission may collect [the] **A DEFAULTED** charge  
16 in the same manner as benefit assessments.

17           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2011.