

1 **..Title**

2 **Plumbing Code - Capital Facilities Payment Plan** – For the purpose of establishing a Capital  
3 Facilities Payment Plan; identifying eligibility requirements, setting a payment schedule,  
4 providing for interest and penalties; making stylistic changes; and generally related to said  
5 payment plan.

6 **..Body**

7 **CITY COUNCIL OF THE**  
8 **City of Annapolis**

9 **Ordinance 4-20**

10 **Introduced by: Mayor Buckley**

11 **Co-sponsored by:**

12 **Referred to**

13 **Economic Matters Committee**

14 **90 day Rule: 7/13/20**

15 **AN ORDINANCE** concerning

16 **Plumbing Code - Capital Facilities Payment Plan**

17 **FOR** the purpose of establishing a Capital Facilities Payment Plan; identifying eligibility  
18 requirements, setting a payment schedule, providing for interest and penalties; making  
19 stylistic changes; and generally related to said payment plan.

20 **BY** repealing and re-enacting with amendments the following portions of the Code of the City  
21 of Annapolis, 2020 Edition  
22 17.28.090  
23 17.28.100

24 **BY** repealing and re-enacting without amendments the following portions of the Code of the  
25 City of Annapolis, 2020 Edition  
26 17.28.095

27 **SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY**  
28 **COUNCIL** that the Code of the City of Annapolis shall be amended to read as follows:

29 **Title 17 – BUILDINGS AND CONSTRUCTION**  
30 **Chapter 17.28 – PLUMBING CODE**

31 **Section 17.28.090 - Permit—Fees—Schedule.**

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1 The charges for issuance of permits are the sum of a connection charge, a capital facility charge, a  
2 capital facility assessment charge and an installation charge. The charges shall be recommended  
3 to the City Council by the Director of Public Works and collected by the Director of Planning and  
4 Zoning. The schedule of fees shall be established by resolution of the City Council.  
5

6 A. Connection Charges. Connection charges for a one inch or less water service and four-  
7 inch sewer service shall be based on the City's cost of constructing the water and sewer  
8 service lines between the property line and main pipeline, including the cost of the water  
9 meter. There will be no connection charges for water services constructed by the applicant  
10 (all services greater than one inch and, when approved by the Director of Public Works,  
11 one inch or less) and for sewer services constructed by the applicant (all service greater  
12 than four inches and, when approved by the Director of Public Works, four inches), but  
13 all costs associated with the construction of the connection between the property line and  
14 main pipeline, including the cost of the water meter, shall be the responsibility of the  
15 applicant.  
16

17 B. Capital Facility Charges. Capital facility charges shall be based on equivalent dwelling  
18 units (EDU). An EDU is ~~two hundred fifty~~ 250 gallons per day. No less than one EDU  
19 shall be charged.  
20

- 21 1. An individual residential dwelling unit is one EDU.
- 22 2. All other uses will be charged based on the number of EDUs. Determination of the  
23 number of EDUs is as follows:  
24

25 (a) By Director of Planning and Zoning. Whenever a charge is set based on EDUs,  
26 the property owner shall provide all information required by the Director of  
27 Planning and Zoning and the Director shall reasonably determine, based on that  
28 information and any other information that the Director deems appropriate, the  
29 number of EDUs for a property based on peak daily usage. If the Director of  
30 Public Works determines within a three-year period after the initial  
31 determination that the property owner provided materially inaccurate  
32 information, the Director shall re-determine the number of EDUs and the  
33 property owner shall be liable for the difference in any charge that is set based  
34 on EDUs.

35 (b) By agreement.

36 (1) In this section, "peaked average daily usage" means a number of gallons of  
37 water that is the product of the average daily water usage by a property  
38 owner during the highest actual usage billing cycle within a defined period  
39 times the peaking factor of 1.4.

40 (2) If the Director of Public Works finds that new technology or other unique  
41 circumstances may significantly affect the determined peak daily usage, the  
42 Director may enter into an agreement with the property owner to recalculate  
43 the number of EDUs based on peaked average daily usage over a period of  
44 time determined by the Director. The agreement shall provide for refund of  
45 charges by the City if peaked average daily usage is less than ~~eighty~~ 80  
46 percent of determined peak daily usage and for payment of additional

1 charges by the property owner if peaked average daily usage is more than  
2 ~~one hundred twenty~~ 120 percent of determined peak daily usage based on  
3 the recalculation. The agreement shall include terms and conditions as  
4 determined by the Director to protect the City's interest in receiving  
5 payment of all additional charges and to bind as necessary the property  
6 owner and any successor in interest. If there is a change in use of the  
7 property during the time when the recalculation is being made, the  
8 agreement shall be null and void.  
9

- 10 3. Industrial wastes of unusual strength or character may be assessed additional EDUs  
11 as determined by the Director of Planning and Zoning or his or her designee may  
12 require pretreatment to remove heavy metals or other deleterious materials prior to  
13 discharge of the waste to the City sewer system.
- 14 4. Combined commercial, industrial and institutional facilities' EDUs shall be  
15 determined by summing the EDUs for the individual functional areas.
- 16 5. A person who purchases a home in the urban renewal project area and who  
17 previously resided in the home either as an owner or renter continuously for six  
18 months immediately prior to the acquisition of the home by the urban renewal  
19 authority, is exempt from the payment of the capital facilities charge.
- 20 6. Capital facilities and capital facilities assessment charges shall be used exclusively  
21 to pay for either or both the capital improvements and retirement of bonds on the  
22 sewer systems and water systems or facilities and not to supplement user rates.
- 23 7. When the use and occupancy of a structure is changed, the Director of Planning and  
24 Zoning or his or her designee shall determine if the water consumption or sewage  
25 discharge has changed materially from the previous use. Any significant increase in  
26 usage or discharge may require assessment of capital facilities charges as outlined in  
27 this subsection.  
28
- 29 C. Capital Facility Assessment Charge. A capital facility assessment charge will continue to  
30 be applied after December 19, 2011 for accounts with remaining capital facility  
31 assessment charge balances. For active permits prior to December 19, 2011, the current  
32 structure for capital facility assessment charges will continue to be in effect.  
33
- 34 D. Installation Charges.
- 35
- 36 1. Reinspection Fee. A fee as established by resolution of the City Council must be paid  
37 before another inspection is made, if, for the original inspection, one or more of the  
38 following occurred:
- 39 a. Requesting party called for inspection, but work was not ready;  
40 b. Requesting party was not on site;  
41 c. Building was locked;  
42 d. Safety features not on site;  
43 e. Approved drawings not on site;  
44 f. Permit card not posted and visible from fronting street.  
45

- 1 E. State Road Opening or Tunneling. For any connection in which a state road must be  
2 opened or tunneled, the charges set out in this section for public sewer and water supply  
3 connections shall be increased by the additional cost of the work as estimated and  
4 approved by the Director of Planning and Zoning or his or her designee.
- 5 F. Master Plumber and Gasfitter. Master plumbers who currently are registered in the City  
6 and who also are registered master gasfitters in the City shall be charged as established  
7 by resolution of the City Council for the additional gas connection for gas hot water  
8 heaters; otherwise, the gas connection for gas hot water heaters must be made by a  
9 registered master gasfitter at the regular rates.
- 10
- 11 G. Sizes Not Shown. Charges for any sizes not shown in this section shall be determined by  
12 the Director of Planning and Zoning or his or her designee.
- 13
- 14 H. ~~The City Council may designate by resolution certain areas in the City of Annapolis to be~~  
15 ~~revitalization areas. In adopting such a resolution, the City Council shall take into~~  
16 ~~consideration the following factors as they apply to the area:~~
- 17 1. ~~The availability, cost, and condition of business facilities;~~  
18 2. ~~The age and number of substandard structures;~~  
19 3. ~~The income of residents relative to State or regional median incomes, including the~~  
20 ~~number of persons who are welfare recipients or unemployed;~~  
21 4. ~~The extent of unemployment and the availability in the area of jobs for residents of the~~  
22 ~~area;~~  
23 5. ~~The need for small businesses to locate in the area in order to upgrade the social and~~  
24 ~~economic conditions of the designated neighborhood; and~~  
25 6. ~~Support from community and business organizations.~~
- 26 I. ~~When a property lies in a designated revitalization area, the capital facility charge shall,~~  
27 ~~at the request of the owner, be payable as follows: Forty percent prior to the issuance of~~  
28 ~~any permit; twenty percent prior to the first anniversary of the earliest permit issuance;~~  
29 ~~twenty percent prior to the second anniversary of the earliest permit issuance; final twenty~~  
30 ~~percent prior to the third anniversary of the earliest permit issuance.~~
- 31 J. ~~A qualifying local business that meets all of the criteria in Section K. shall, at the request~~  
32 ~~of the business owner, be eligible to pay the capital facility charge as follows: Forty~~  
33 ~~percent prior to the issuance of any permit; twenty percent prior to the first anniversary~~  
34 ~~of the earliest permit issuance; twenty percent prior to the second anniversary of the~~  
35 ~~earliest permit issuance; final twenty percent prior to the third anniversary of the earliest~~  
36 ~~permit issuance.~~
- 37 K. ~~A local business means:~~
- 38 1. ~~The principal office or business is physically located within the Annapolis City limits~~  
39 ~~with no other national headquarters outside the City of Annapolis;~~  
40 2. ~~There are five or fewer branches or outlets of the business in total;~~  
41 3. ~~The business is privately, employee, community, or cooperatively owned (not~~  
42 ~~publicly traded);~~  
43 4. ~~The business pays for all of its own marketing, rent, and other business expenses~~  
44 ~~without assistance from, or payment to, a corporate headquarters that owns one or~~  
45 ~~more shares in the applicant's business;~~

1           ~~5. The decision-making authority is vested in the local owner and not subject to~~  
 2           ~~conditions dictated or required remotely; and~~

3           ~~6. Any additional criteria as promulgated by regulations from the small minority~~  
 4           ~~business enterprise coordinator.~~

5           ~~L. When a business owner requests a capital facility charge payment plan, such owner must~~  
 6           ~~have an approved agreement signed by the business owner and property owner stating~~  
 7           ~~that a notice of lien is to be executed on the property. The lien will remain in effect until~~  
 8           ~~the deferred fees have been paid in full.~~

9           ~~M. Capital facility charges that are deferred shall accrue interest after the first twelve months.~~  
 10           ~~Interest rates will be established annually by the finance director and will be based on the~~  
 11           ~~prime interest rate plus three percent, effective July 1st of each year. Any fees deferred~~  
 12           ~~shall be paid at the interest rate in effect at the time of payment.~~

13           ~~N. Applicants subject to permit fees in Section 17.28.090 of the City Code shall be eligible~~  
 14           ~~to pay the plumbing permit fees (a connection charge, a capital facility charge, a capital~~  
 15           ~~facility assessment charge, and an installation charge), in effect at the time of a special~~  
 16           ~~exception or other development review application, rather than the fees that may be in~~  
 17           ~~effect at the time the permit is issued. This provision shall retroactively apply to all~~  
 18           ~~applicants for a special exception or other development review applications submitted on~~  
 19           ~~or before July 1, 2011.~~

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 21   **Section 17.28.095 - Letter of credit.**

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 23           An irrevocable letter of credit in a form acceptable to the Director of Planning and Zoning,  
 24           issued by an accredited financial institute guarantying full payment of the amount of the deferred  
 25           capital facility charge shall be filed with the Department of Planning and Zoning or his or her  
 26           designee prior to the issuance of any permit.

27  
 28   **Section 17.28.100 - ~~Permit Fees~~ PENALTIES – ADJUSTMENTS - Payments.**

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 30   A. Where any assessment provided in Section 17.28.090 is imposed, annual installments shall be  
 31   billed and payable immediately upon receipt of the bill, EXCEPT THAT FOR CAPITAL  
 32   FACILITY CHARGES DUE AND OWING, UNDER 17.28.090(B), CHARGES MAY BE  
 33   PAID PURSUANT TO AN APPROVED CAPITAL FACILITIES PAYMENT PLAN. If  
 34   payment is not made within ~~ninety~~90 days after the billing, interest shall be added at the same  
 35   rate as charged on delinquent real estate taxes. Any of the installments may be prepaid at any  
 36   time.

37  
 38   B. The installments, and the interest on the installments, constitute liens on the property charged  
 39   until paid, and if any installment is not paid within ~~ninety~~90 days of its billing date, at the  
 40   option of the Director of Finance, the entire unpaid balance shall be immediately due and  
 41   payable. The lien of the unpaid installments shall be subordinate only to the lien of State,  
 42   County and City taxes, and payment of the unpaid installments shall be enforced at the same  
 43   time and in the same manner as the taxes. Upon the institution of any foreclosure or tax sale  
 44   proceedings or title transfer by deed as a result of sale, with respect to a property subject to a  
 45   lien for the installments, the unpaid balance immediately shall become due and payable.

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1 **C. CAPITAL FACILITIES PAYMENT PLAN**

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3 1. **ELIGIBLE PROPERTIES.** PROPERTIES ELIGIBLE FOR PAYMENT UNDER  
4 AN APPROVED PAYMENT PLAN INCLUDE:

- 5  
6 a. THOSE LOCATED IN THE “SUSTAINABLE COMMUNITIES AREA” AS  
7 DESIGNATED BY THE MARYLAND DEPARTMENT OF HOUSING AND  
8 COMMUNITY DEVELOPMENT AND THE CITY COUNCIL; OR  
9 b. WHERE THE PRINCIPAL OFFICE OR BUSINESS IS PHYSICALLY LOCATED  
10 WITHIN THE ANNAPOLIS CITY LIMITS WITH NO OTHER NATIONAL  
11 HEADQUARTERS OUTSIDE THE CITY OF ANNAPOLIS; OR  
12 c. WHERE THERE ARE FIVE OR FEWER BRANCHES OR OUTLETS OF THE  
13 BUSINESS IN TOTAL, PROVIDED THE PRINCIPAL OFFICE IS WITHIN THE  
14 ANNAPOLIS CITY LIMITS; OR  
15 c. WHERE THE BUSINESS IS PRIVATELY-, EMPLOYEE-, COMMUNITY-, OR  
16 COOPERATIVELY-OWNED AND NOT PUBLICLY TRADED; OR  
17 d. WHERE THE BUSINESS PAYS FOR ALL OF ITS OWN MARKETING, RENT,  
18 AND OTHER BUSINESS EXPENSES WITHOUT ASSISTANCE FROM, OR  
19 PAYMENT TO, A CORPORATE HEADQUARTERS THAT OWNS ONE OR  
20 MORE SHARES IN THE APPLICANT'S BUSINESS; AND  
21 e. THE DECISION-MAKING AUTHORITY IS VESTED IN THE LOCAL  
22 BUSINESS OWNER AND IS NOT SUBJECT TO CONDITIONS DICTATED OR  
23 REQUIRED BY A NON-LOCAL DECISION-MAKING AUTHORITY.  
24

25 2. **PAYMENT PLAN.** CAPITAL FACILITY CHARGES PAYABLE UNDER A  
26 PAYMENT PLAN SHALL BE PAID AS FOLLOWS: 40 PERCENT PRIOR TO  
27 THE ISSUANCE OF ANY PERMIT; 20 PERCENT PRIOR TO THE FIRST  
28 ANNIVERSARY OF THE EARLIEST PERMIT ISSUANCE; 20 PERCENT PRIOR  
29 TO THE SECOND ANNIVERSARY OF THE EARLIEST PERMIT ISSUANCE;  
30 FINAL 20 PERCENT PRIOR TO THE THIRD ANNIVERSARY OF THE  
31 EARLIEST PERMIT ISSUANCE.  
32

33 3. **LIEN AGREEMENT.** A CAPITAL FACILITIES PAYMENT PLAN REQUEST  
34 TO THE FINANCE DIRECTOR SHALL BE ACCOMPANIED BY AN  
35 AGREEMENT SIGNED BY THE BUSINESS OWNER AND PROPERTY OWNER  
36 ESTABLISHING A LIEN ON THE PROPERTY IN FAVOR OF THE CITY. SAID  
37 LIEN SHALL REMAIN IN EFFECT UNTIL THE DEFERRED FEES HAVE BEEN  
38 PAID IN FULL.  
39

40 4. **PAYMENT PLAN SCHEDULE - INTEREST.** DEFERRED CAPITAL FACILITY  
41 CHARGES SHALL ACCRUE INTEREST AFTER THE FIRST 12 MONTHS.  
42 INTEREST RATES SHALL BE ESTABLISHED ANNUALLY BY THE FINANCE  
43 DIRECTOR AND WILL BE BASED ON THE PRIME INTEREST RATE PLUS  
44 THREE PERCENT, EFFECTIVE JULY 1ST OF EACH YEAR. ANY FEES  
45 DEFERRED SHALL BE PAID AT THE INTEREST RATE IN EFFECT AT THE  
46 DATE OF AGREEMENT.

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2       5.     **PERMIT FEES – ESTABLISHED RATE.** APPLICANTS UNDER A CAPITAL  
3           FACILITIES PAYMENT PLAN SHALL PAY THE PLUMBING PERMIT FEES AT  
4           THE RATES IN EFFECT AT THE TIME OF THE SPECIAL EXCEPTION OR  
5           OTHER DEVELOPMENT REVIEW APPLICATION, RATHER THAN THE FEES  
6           THAT MAY BE IN EFFECT AT THE TIME THE PERMIT IS ISSUED.

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9     **SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE**  
10    **ANNAPOLIS CITY COUNCIL** that this ordinance shall take effect from the date of its passage.

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13                                   **Explanation:**

14                           UPPERCASE indicates matter added to existing law.  
15                           ~~Strikethrough~~ indicates matter stricken from existing law.  
16                           Underlining indicates amendments.

17