City of Annapolis

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O-37-25

City Capital Facilities Charges Payment Plan
For the purpose of changing when capital facilities charges for sewer and water installation are collected from developers constructing six or fewer dwelling units; and generally related to the Plumbing Code.

City Council of the
City of Annapolis

Ordinance 37-25

Introduced by: Alderman Schandelmeier

Referred to: Economic Matters Committee

AN ORDINANCE concerning

City Capital Facilities Charges Payment Plan

FOR the purpose of changing when capital facilities charges for sewer and water installation are collected from developers constructing six or fewer dwelling units; and generally related to the Plumbing Code.

BY repealing and reenacting with amendments the following portions of the Code of the City of Annapolis, 2025 Edition: **17.28.100**

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

City Code Title 17 - BUILDINGS AND CONSTRUCTION

Chapter 17.28 - Plumbing Code

Section 17.28.100 Penalties—Adjustments—Payments.

~~A. Where any assessment provided in Section 17.28.090 is imposed, annual installments shall be billed and payable immediately upon receipt of the bill, except that for capital facility charges due and owing, under 17.28.090(B), charges may be~~

~~paid pursuant to an approved Capital Facilities Payment Plan. If payment is not made within ninety days after the billing, interest shall be added at the same rate as charged on delinquent real estate taxes. Any of the installments may be prepaid at any time.~~

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

A. **Assessments.**

1. When any assessment outlined in § 17.28.090 is imposed, annual installments will be billed and shall be due immediately upon receipt of the bill.

2. For capital facility charges that are due under § 17.28.090(B), these charges may be paid according to an approved Capital Facilities Payment Plan or a Development of Six or Fewer Dwelling Units Payment Plan pursuant to § 17.28.090(C).

~~C~~B. **Capital Facilities Payment Plan.**

1. **Eligible Properties**. Properties eligible for payment under an approved payment plan include:

   a. Those located in the "sustainable communities area" as designated by the Maryland Department of Housing and Community Development and the City Council; or

   b. Where the principal office or business is physically located within the Annapolis City limits with no other national headquarters outside the City of Annapolis; or

   c. Where there are five or fewer branches or outlets of the business in total, provided the principal office is within the Annapolis City limits; or

   d. Where the business is privately-, employee-, community-, or cooperatively-owned and not publicly traded; or

   e. Where the business pays for all of its own marketing, rent, and other business expenses without assistance from, or payment to, a

corporate headquarters that owns one or more shares in the applicant's business; and

f. The decision-making authority is vested in the local business owner and is not subject to conditions dictated or required by a non-local decision-making authority.

~~2. Payment Plan. Capital facility charges payable under a payment plan shall be paid as follows: forty percent prior to the issuance of any permit; twenty percent prior to the first anniversary of the earliest permit issuance; twenty percent prior to the second anniversary of the earliest permit issuance; final twenty percent prior to the third anniversary of the earliest permit issuance.~~

2. **Payment Plan.**

a. Capital facility charges payable under a payment plan shall be paid as follows:

i. 40% prior to the issuance of any permit;

ii. 20% prior to the first anniversary of the earliest permit issuance;

iii. 20% prior to the second anniversary of the earliest permit issuance; and

iv. 20% prior to the third anniversary of the earliest permit issuance.

b. If payment is not made within 90 days after the billing, interest shall be added at the same rate as charged on delinquent real estate taxes.

c. Any of the installments may be prepaid at any time.

3. **Lien Agreement.** A Capital Facilities Payment Plan request to the Finance Director shall be accompanied by an agreement signed by the business owner and property owner establishing a lien on the property in favor of the City. Said lien shall remain in effect until the deferred fees have been paid in full.

4. **Payment Plan Schedule—Interest.** Deferred capital facility charges shall accrue interest after the first twelve months. Interest rates shall be established annually by the Finance Director and will be based on the prime interest rate plus three percent, effective July 1 of each year. Any fees deferred shall be paid at the interest rate in effect at the date of agreement.

5. **Permit Fees—Established Rate.** Applicants under a Capital Facilities Payment Plan shall pay the plumbing permit fees at the rates in effect at the

time of the special exception or other development review application, rather than the fees that may be in effect at the time the permit is issued.

6. **Installments.**

a. The installments, along with any interest on them, constitute liens on the property until they are fully paid. If any installment is not paid within 90 days of its billing date, the Director of Finance has the option to declare the entire unpaid balance immediately due and payable.

b. The lien of the unpaid installments shall be subordinate only to the lien of State, County, and City taxes. Payment of the unpaid installments shall be enforced at the same time and in the same manner as the taxes.

c. If any foreclosure, tax sale proceedings, or title transfer by deed occurs due to the sale of a property that has a lien for unpaid installments, the remaining balance shall immediately become due and payable.

C. **Development of Six or Fewer Dwelling Units.**

1. **Eligible Properties.** Properties eligible for payment under an approved payment plan include:

a. Accessory dwellings;

b. Two-Family Attached Dwellings;

c. Single-Family Detached Dwellings;

d. Single-Family Attached Dwelling (must be six or fewer units); and

e. Multi-family dwellings containing six or fewer dwelling units.

2. **Payment Plan.**

a. The entire capital facility charges (100%) shall be paid prior to issuance of the occupancy permit for any unit.

b. Fees will be assessed under the associated building permit

3. **Municipal Infraction.**

a. Failure to pay the capital facility charges prior to obtaining the issued occupancy permit will result in a municipal infraction subject to a civil fine as established by resolution of the City Council.

b. Each day that a violation continues constitutes a separate offense.

SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL that this ordinance shall take effect upon passage.

ADOPTED this 27th day of October 2025.

Aye: 8 Mayor Buckley, Alderman Huntley, Alderwoman O'Neill, Alderwoman Finlayson, Alderman Schandelmeier, Alderman Gay, Alderman Savidge and Alderman Arnett

Absent: 1 Alderwoman Pindell Charles

THE ANNAPOLIS CITY COUNCIL _____ Date: 11/10/25
Gavin Buckley, Mayor

ATTEST _____ Date: 11/10/25
Regina Watkins-Eldridge, MMC,
City Clerk