



# Legislative Summary

O-37-25

## City Capital Facilities Charges Payment Plan

The City of Annapolis Office of Law created this summary for the use of Annapolis City Council members during their consideration of the legislation.

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### Bill Summary

O-37-25 changes when developers of six or fewer dwelling units must make their Capital Facilities Charge payments.

### *Background*

A Capital Facilities Charge is a one-time fee imposed by local governments to recoup the costs of public infrastructure necessary to support new development or increased utility usage, including water systems, sewer lines, and stormwater management.

### Details

#### *Subsection 17.28.100(A)*

1. The original paragraph is split up, and this original portion requires most developers to pay the capital facilities charge when they get the bill.
2. This new section enables developers to arrange a payment plan with the City, but requires the City to follow the payment schedule outlined in Subsection 17.28.090(B) for developers building six or fewer dwelling units.



### *Subsection 17.28.100(B)(2)*

This subsection clarifies the repayment rules for all developers who are required to pay capital facilities charges:

- If payment is not made within 90 days after the billing, interest will be added at the same rate as that charged on delinquent real estate taxes.
- Capital facilities charges may be assessed at any time.

### *Subsection 17.28.100(B)(6)*

This subsection establishes a system for paying capital facility charges in installments.

- a. By utilizing the installment system, the property will be subject to a lien until all installments are fully paid. The Director of Finance has the authority to declare the entire unpaid balance due at any time.
- b. Payments for the city lien will be made after the payment of state, county, and city taxes.
- c. The lien and any outstanding installments must be settled if the property is sold through foreclosure or a tax sale.

### *Subsection 17.28.100(C)*

This subsection outlines the regulations for capital facility charges applicable to the construction of six or fewer dwelling units by developers.

1. Eligible projects may include the following types of dwellings: accessory dwellings, two-family attached dwellings, single-family detached dwellings, single-family attached dwellings, and multi-family dwellings.
2. The total capital facility charge for the construction of six or fewer dwelling units must be paid in full before any resident can move into a unit.
3. Failure to pay the charges before a unit is occupied will result in fines.