

**ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET**

BILL NO. 111-15

DATE: November 16, 2015

FISCAL NOTE

BILL: AN ORDINANCE concerning: Public Works – Utilities –Allocation of Water and Wastewater Capacity, Charges and Fees for Properties Subject to Adequate Public Facilities, and Capital Facility Connection Charges

SUMMARY OF LEGISLATION

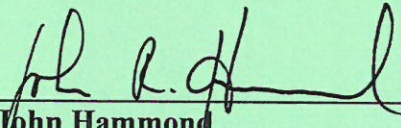
This bill will reduce the Capital Facility Connection Charge (CFCC) from current \$8,700 each for water and sewer by 25% to \$6,525 per equivalent dwelling unit. It also eliminates the capital facility deferral fee, currently 8% of the CFCC. According to the current Code, when a developer reserves water and sewer capacity for a development they will have to pay CFCC the earlier of at the time of permit issuance or 8 years after the capacity for the project is approved. This legislation changes the interest rate from 8% to prime plus 2%. Therefore, if no permit is issued, interest will be changed on the outstanding balance at prime plus 2% on the 6th anniversary of the date of allocation and the 7th and the 8th when the entire balance is due. Those developers/builders that have paid in advance of their due date but have not issued a permit will be entitled to a refund of the difference in the rate. For those that have been billed but have chosen to pay in installments based on current Code, their outstanding balance will be reduced.

FISCAL IMPACT

Estimated reduction in Utility Debt Service Fund revenues (in Million):

Fiscal Years	2016	2017	2018	2019	2020	2021	2022	2023	Cumulative
CFCC - Water	0.44	0.40	0.37	2.29	2.83	1.71	5.63	2.97	16.64
CFCC - Sewer	0.44	0.40	0.37	2.29	2.80	1.68	5.63	2.89	16.50
Prepaid that may receive refunds	1.74	-	-	-	-	-	-	-	1.74
Current Receivable reduction due to CFCC rate reduction	4.43	-	-	-	-	-	-	-	4.43
Current Receivable reduction in interest revenue due to CFCC and interest rate change*	0.11	0.13	0.13	0.02	-	-	-	-	0.40
Project list Reduction in interest revenue due to CFCC and Interest rate change*	-	0.72	1.78	2.45	4.21	4.34	3.81	1.32	18.63
Total	7.15	1.66	2.65	7.05	9.85	7.73	15.06	7.19	58.33

*5.25% is used for all future interest rates (Prime Rate of 3.25% plus 2%)



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 Budget Officer

11/16/15

 DATE

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