



CECIL COUNTY, MARYLAND DEPARTMENT OF FINANCE

FISCAL IMPACT NOTE

SUMMARY OF LEGISLATION

SPONSOR: Council President Bowsbey at the request of the County Executive

RESOLUTION NO. 31-2017 – CECIL COUNTY SANITARY DISTRICT - RESIDENTIAL WASTEWATER CONNECTION CHARGE

SYNOPSIS: A Resolution to establish within the Cecil County Sanitary District a reduction of the connection fee for residential living units from \$12,000 per equivalent living unit to \$6,000 per equivalent living unit and to allow terms of any installment payment of the wastewater connection charge to be subject to terms as specified in the Sanitary District Policy.

FISCAL IMPACT SUMMARY: Net fiscal impact to the County's Wastewater Fund will be zero for FY2018. The County Executive projects that the decrease in revenues associated with the reduction in the connection fees charged for each equivalent living unit will be offset by larger numbers of new sewer users connecting to the system.

FISCAL ANALYSIS:

The County Executive met with residential developers in efforts to find ways to spark residential growth in Cecil County. The developers conveyed to the County Executive that the wastewater connection fee is not competitive with neighboring jurisdictions and deters them from developing within Cecil County.

The County Executive has decided, in an effort to stimulate residential development, to lower the rate from \$12,000 per equivalent living unit to \$6,000 per equivalent living unit for 24 months. The County's revenue for connection fees for the past two fiscal years (FY2015 \$628,909 & FY2016 \$695,376) have remained at approximately 7% of the total revenue for the fund. FY2017's projected revenue is even lower with revenues totaling only \$178,454 or a mere estimate of 3% of total revenue. The budget for FY2018 was projected at the same dollar level as FY2017, however the fund is now realizing the FY2017 budget will not be reached. The County Executive's plan to lower the fee is expected to stimulate the developer community to invest in Cecil County and ultimately provide new sewer user connections to sufficiently offset the lost connection fee revenue.