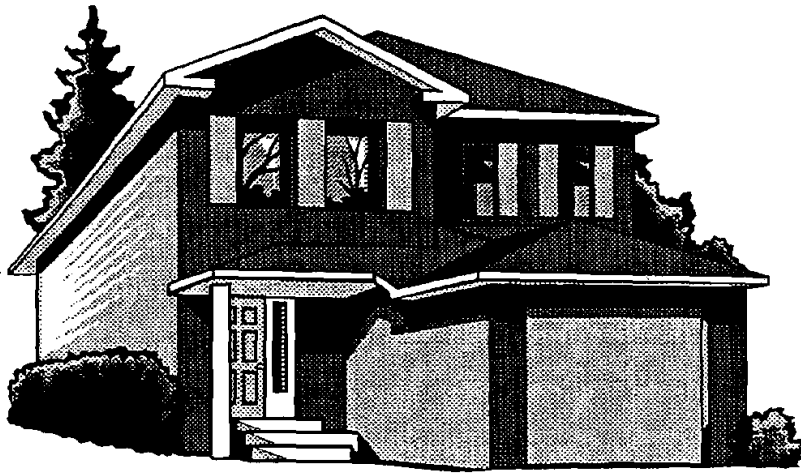




**WASHINGTON SUBURBAN
SANITARY COMMISSION**

PROPERTY ASSESSMENTS



MANUAL

**Property Assessments Section
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FOREWORD

This manual describes how WSSC's staff, specifically its Property Assessments Section will administer Article 29, Title 5 of the Annotated Code of Maryland covering assessment of Front Foot Benefit Charges. Any conflict that may exist between any provision of this Manual and Article 29 will be resolved in favor of the latter statute.

AUTHORITY CLAUSE

The General Counsel certifies that the statutory authority for the adoption of this manual is Article 29, Sections 9-101, 3-104, 4-101, 4-105, 4-107, 4-109, 4-110, 5-101, 5-102, 5-103, 5-104, 5-105, 5-106, 5-107, 5-108, 5-109, 6-101, 6-102, 6-109, 6-110 & 6-111 of the Annotated Code of Maryland.

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Chapter I: FRONT FOOT BENEFIT CHARGES OVERVIEW

1.0 PURPOSE

The Washington Suburban Sanitary Commission (WSSC), unlike most water and sewer utilities, constructs not only its major transmission lines but also most smaller water and sewer mains serving local residential and business communities. These main lines are required to transport water to individual properties and/or return sewage to our wastewater treatment plants. To recover its cost for the construction and financing of the water and sewer lines, the State of Maryland has authorized WSSC to levy a "front foot benefit charge" (FFBC) to those properties benefitting from their construction. These properties include not only those that connect to WSSC's water and/or sewer lines, but also those simply abutting the lines, because the availability of public water and/or sewer enhances property values. According to Maryland Law, Article 29, Section 5-101, "the construction or acquisition of water mains or sewers is a benefit to all property that abuts on water mains and sewers".

1.1 CUSTOMER NOTIFICATION

The assessment of Front Foot Benefit Charges normally begins the calendar year following the completion of or actual connection to the newly constructed water and/or sewer lines. The assessment year begins January 1 and ends December 31. Prior to construction, the owners of properties that would be abutted by the proposed water and/or sewer lines are notified by the WSSC's Water and Sewer Reports Section of *estimated* front foot benefit charges. Once construction is completed, those property owners directly benefitting from the newly constructed water and/or sewer mains receive in writing a "Notice of Benefit Assessment" (See Appendix B). The notice which is accompanied by a letter (See Appendix A) which includes the property's classification, footage, rate(s), and amount of the proposed FFBC assessment.

1.2 CUSTOMER APPEAL RIGHTS

In early Spring, following completion of the previous year's water and sewer line construction, affected property owners are notified in writing of their assessments. Customers are requested to contact the Property Assessment staff with any questions or concerns they may have about the proposed assessments. The notice also provides a date and time for an Assessment Appeal hearing with a WSSC Commissioner for any customer who remains concerned that the proposed assessment is in error. The customer may elect to be represented at the informal hearing. Property Assessments staff and an attorney from the General Counsel's Office also attend the informal hearing. Following the informal hearing, the customer is provided a written decision by the Commissioner with whom he/she met. The customer is also informed of his/her right to additionally appeal the Commissioner's decision to the full Commission. Hearings with the full Commission are held in accordance with the State's Administrative Procedures Act.

1.3 FFBC RATES & CALCULATIONS

Annually following a public hearing, WSSC establishes a "base" **water** and **sewer** rate which is used to assess properties abutted or served by WSSC water and/or sewer lines. The water and sewer rates established are intended to recover all costs associated with the construction and financing of these water and sewer lines. Once the base rates are set they cannot be increased.

After the base rate is established, a property's front foot benefit charge is determined by multiplying its assessment rate(s) by its assessable "front footage". A property's assessment rate and its assessable front footage are determined by its "classification".

1.3.1 CLASSIFICATION

WSSC classifies properties based on their actual or intended use, not necessarily on the basis of County zoning codes. There are currently six property classifications:

Subdivision Residential
 Multi-Unit Residential (Townhouses, Condominium, Apartments)
 Small Acreage
 Industrial or Single Business
 Multi-Unit Business
 Agricultural

1.3.2 ASSESSMENT RATE

The Assessment Rate applicable to each WSSC Classification is as follows:

Subdivision Residential, Small Acreage and Agricultural:

Initial 150 feet of assessable front footage	Base Rate
Next 150 feet of assessable front footage	75% of Base Rate
Additional assessable front footage	50% of Base Rate

Multi-Unit Residential:

Townhouse (standard 50 feet)	Base Rate
Condominium (standard 26 feet)	Base Rate
Apartments (standard 26 feet)	Base Rate

Business or Multi-Unit Business:

All assessable front footage	133% Times Base Rate
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1.3.3 FRONT FOOTAGE & ABUTMENT

A property's front footage or street frontage is the total length of its boundary that faces or borders a street, road, etc. A property's assessable front footage may or may not equal its actual front footage depending on its classification and type abutment. A property's abutment by a WSSC line can be one of four types as follows:

Full Abutment - A WSSC line has been built in a street or in a Right-of-Way procured by WSSC that is parallel/adjacent to the property. The line abuts the total length of the property's single street frontage.

Partial Abutment - A WSSC line has been built in a street or procured Right-of-Way that is parallel to the property. The line abuts only a portion of the property's street frontage.

Multiple Abutment - The property has more than one street frontage. WSSC lines have been built in streets or procured Right-of-Ways which are parallel to the property. The lines fully or partially abut two or more of its street frontages.

Non-Abutment - A WSSC line does not abut any portion of the property's street frontage(s).

The front footage used to assess properties classified as Subdivision Residential, Small Acreage and Agricultural is generally affected by the type abutment. The footage used to assess properties classified as Multi-Unit Residential, Business and Multi-Unit Business is generally not affected by the property's type abutment. Subsequent chapters on each property classification details how a property's assessable front footage is affected by its type abutment and other factors.

1.4 PAYMENT OPTIONS

Customers assessed front foot benefit charges are provided two methods to pay such charges. They may pay the charge in full by May 31 of each year, or elect to defer FFBC charges over a period of time equivalent to the term of the bond issued by WSSC to finance construction. Currently, construction bond life is 23 years. Although, FFBC are not taxes within the legal meaning of the word, they do appear on county tax bills and are collected by the county taxing authorities. Unlike taxes, the annual amount remains the same and the assessment ceases when the bond is retired.

An owner who has initially elected to defer FFBC may subsequently redeem, or pay off the unpaid balance of the assessment charges, by contacting WSSC's Property Assessment staff. All redemption quotations or calculations will be made as of January 1 following the previous July's tax billing and are good until May 31. All redemptions are calculated using annuity present value (dollar worth factor) tables and take into account the interest rate associated with the deferred FFBC, number of annual payments received and applicable service fee(s).

1.5 ERRORS AND OMISSIONS

Whenever an error or oversight is discovered on any property regarding a FFBC charge, the Commission is obligated to correct the account. If the error involves a failure to levy an appropriate FFBC, the Commission, once it discovers the error, will assess the property at the rate(s) and classification in effect at the time of line construction. For a non-abutting property the assessment will be based upon rates in effect at the time of the property's connection to WSSC. The assessment will run for a period of time equivalent to the term of the bond secured to finance construction of the line which abuts or serves the property.

If ownership of the property has changed since the assessment should have begun, excluding the initial sale by the developer or builder, WSSC will assess the property for a period equal to the term of the bond secured to finance the relevant line's construction, less the number of years which have elapsed between the time the assessment should have begun and the date of last ownership change. For example: WSSC discovers in 1998 that a property should have been assessed beginning January 1990 for a period of 23 years. The current owners also purchased the property in 1995. The annual assessment would begin in 1999, the first calendar year after the error is discovered, and run for 17 years (23 years minus the 6 years which elapsed from 1990 through 1995).

CHAPTER 2 EXEMPTIONS & SUSPENSIONS

2.0 General

Most properties are subject to front foot benefit charges if they are abutted by WSSC water and/or sewer lines. However, there are certain properties abutted by WSSC water and/or sewer lines which are exempt from FFBC charges. There are other properties whose FFBC charges are suspended until a change occurs in the property's classification, use or designation or the property connects to WSSC lines.

2.1 Exemptions

The following properties are exempt from the levying of FFBC, whether or not they connect to WSSC lines:

- * Those abutted by a WSSC line which has been constructed in a street or other public right-of-way by a private Developer under a Memorandum Of Understanding (MOU) with WSSC.
- * Those owned by the state, county or municipality.
- * Those owned and used for public purposes by a volunteer fire department.

The following properties are also exempt from FFBC under the assumption that they will never be developed and will therefore never connect to WSSC lines:

- * Those too small for residential or commercial improvements.
- * Those which are within a 100 year flood plain.
- * Those designated as homeowner's association common ground in a recorded Residential Subdivision plat.
- * Those designated by the Maryland National Capital Park and Planning Commission as unbuildable or refused a building permit by the jurisdiction's permit and licensing agency.

2.2 Suspensions

Front foot benefit charges are calculated on the following abutted properties but the charges are suspended until the properties connect to WSSC lines or a change occurs in the property's classification, use or designation:

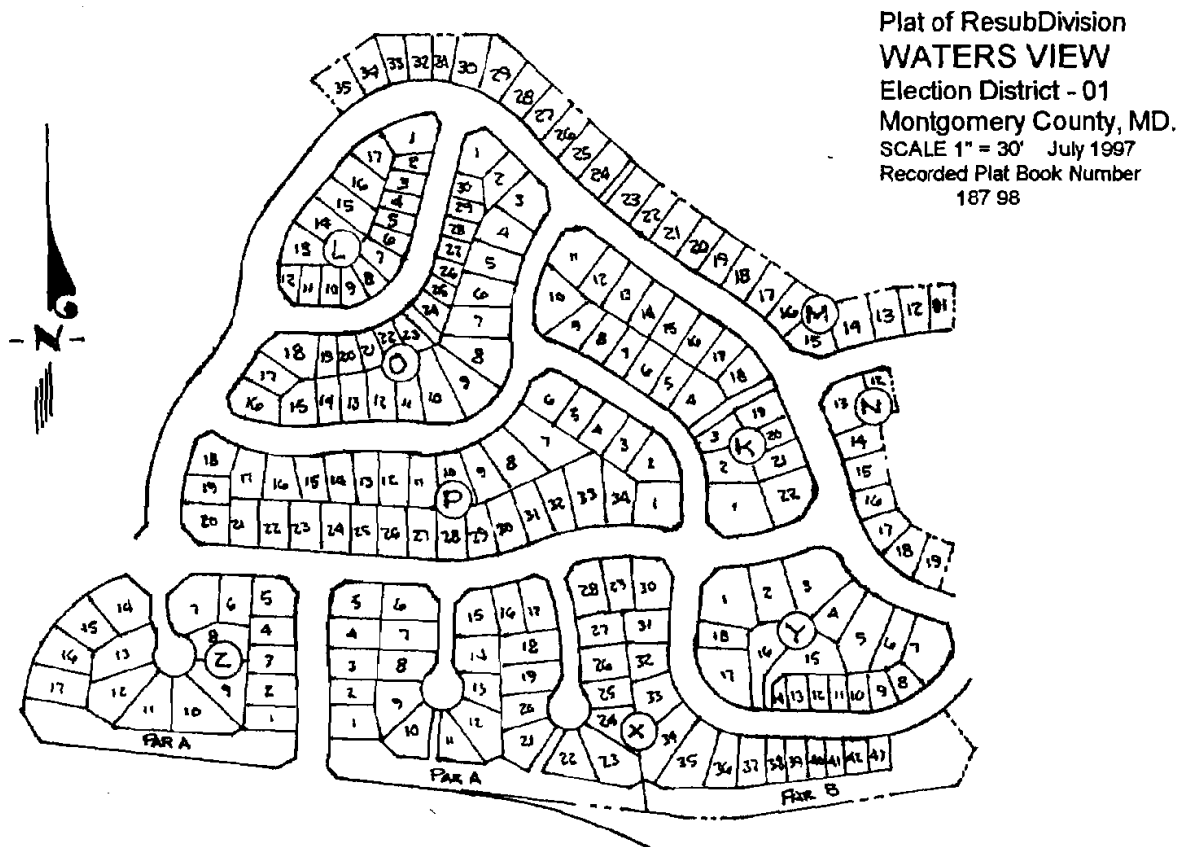
- * Property designated in service categories 5 and 6 in the Counties' approved 10 year water and sewer plans.
- * Property classified as Subdivision Residential or Small Acreage that is served by a well and/or septic system. This status is also known as SER exempt.
- * Property classified as Agricultural.
- * Property rendered unbuildable during the period of time a reservation for public use is made.
- * Property otherwise assessable for water main construction, but public sewer is not available or reasonably feasible and a septic system would not be approved.

CHAPTER 3 SUBDIVISION RESIDENTIAL

3.0 INTRODUCTION

A subdivision residential property is one used or intended to be used for residential purposes, has been recorded through a subdivision plat, and carries a subdivision name, lot and block (or parcel), as part of its legal description.

Example of a Typical Subdivision Plat



A subdivision property's assessment is determined by multiplying WSSC's applicable base rate by the property's assessable front footage, or if its assessable front footage exceeds 150 feet, by multiplying assessable front footage over 150 feet by a "fraction" of the base rate (See Section 1.3.2). A subdivision property's assessable front footage is determined by several factors. Including the existence of abutting lines, number of abutments and shape of the property.

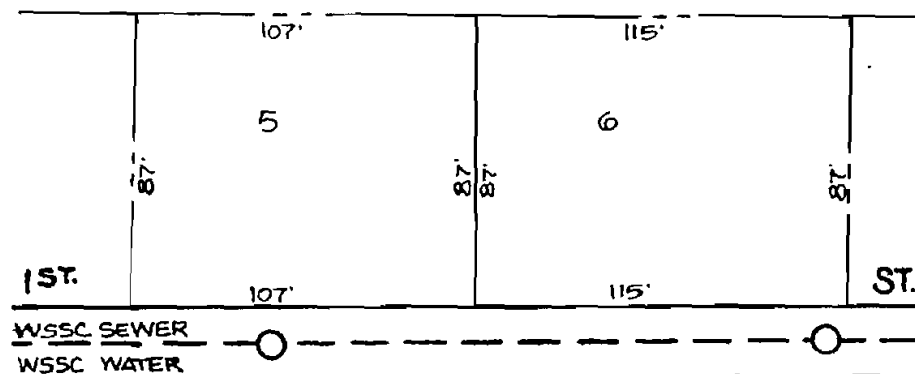
3.1 Abutted Property, One Street Frontage

An abutted property with one street frontage is assessed on the basis of its actual street frontage, if "regularly" shaped. If the property is "irregularly" shaped, it is assessed on the basis of an average of the street frontages of regularly shaped neighboring properties.

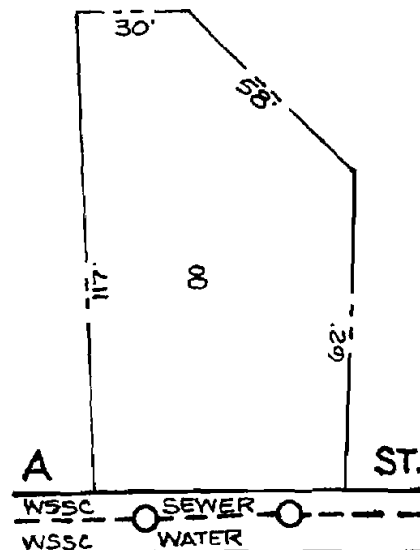
3.1.1 Regularly Shaped Property

A regularly shaped subdivision lot is one which is basically square or rectangular, and is not located at the intersection of two streets or road. The lot has four sides (straight or somewhat rounded) or five sides, provided that its four longest sides account for at least 90% of its total perimeter. Additionally, a regularly shaped lot has a street frontage which is within 30% (plus or minus) of the length of its rear property line. For example, if the lot's rear property line is 100 feet, its street frontage would need to measure at or between 70 and 130 feet. A regularly shaped lot with one street frontage is assessed on the basis of its actual street frontage, whether fully or partially abutted.

Examples of Abutted Regularly Shaped Properties with One Street Frontage

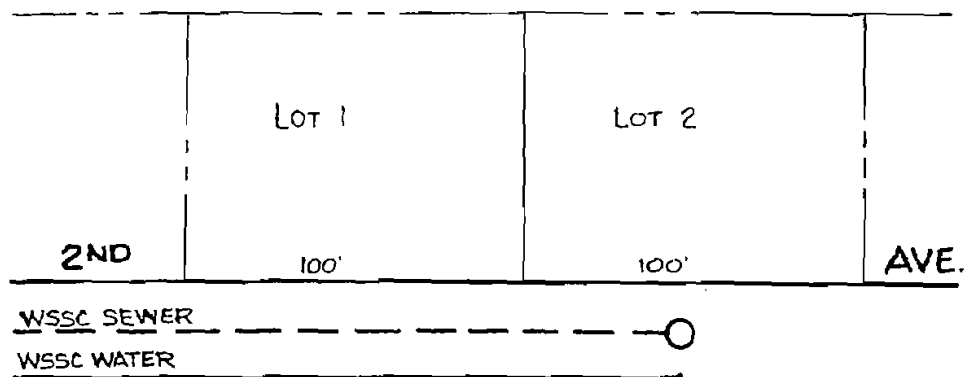


Lots 5 & 6 are both four sided regularly shaped lots, abutted on 1st Street. Lot 5 would therefore be assessed for 107 feet of frontage, and Lot 6 assessed for 115 feet of frontage.



Lot 8 is a five sided lot. Its four longest sides account for at least 90% of its total perimeter. Lot 8, therefore, is regularly shaped and would be assessed for its actual frontage of 62 feet for water and sewer.

Example of Partially Abutted Regularly Shaped Lot, One Street Frontage

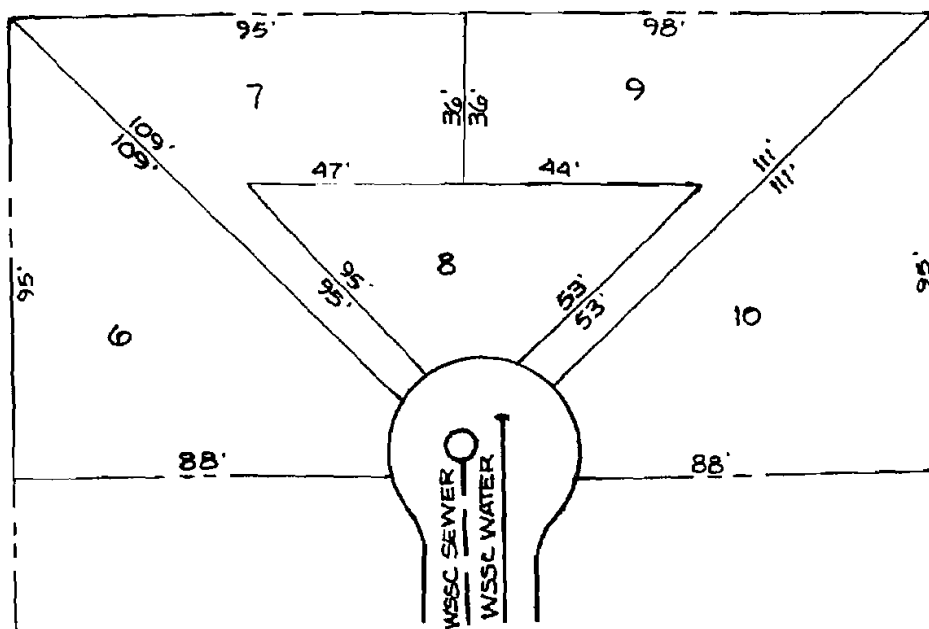


Although the street frontage for Lot 2 is partially abutted, it receives the same benefit as Lot 1. Therefore, Lot 2, would be assessed its full street frontage of 100 feet.

3.1.2 Irregularly Shaped Property

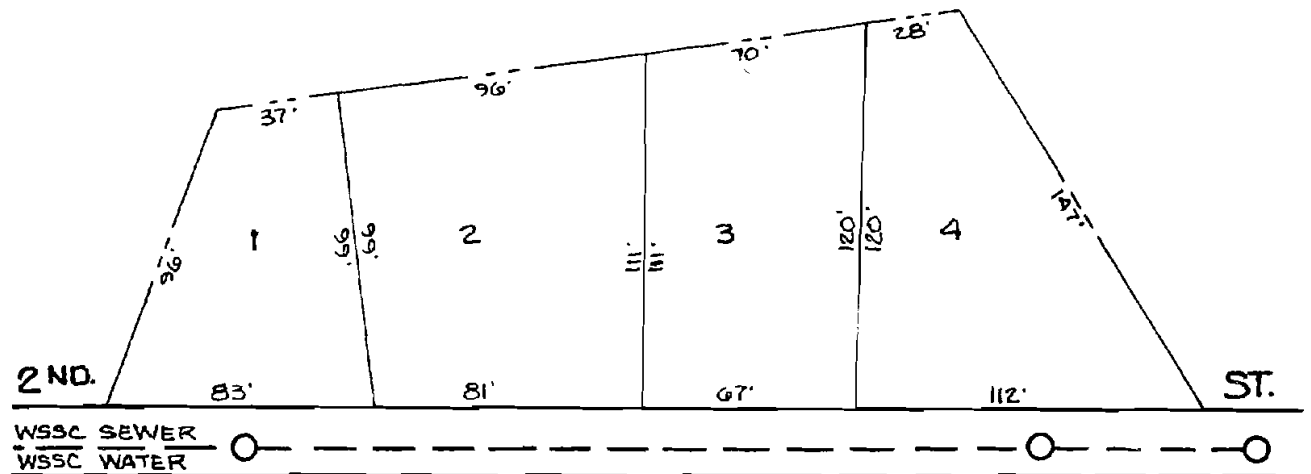
Any subdivision property which has one street frontage and is not shaped as described in Section 3.1 is an irregularly shaped lot. For example, cul-de-sac lots (those located on the closed end of a street), as well as flag, panhandle and pie shaped lots, are nearly always irregularly shaped. Because an irregularly shaped lot typically has a disproportionately small or large street frontage, its street frontage is not used to assess the property. Rather, the lot is assessed on the basis of the average street frontage of all "neighboring" regularly shaped lots, that is, all regularly shaped lots located on the same and/or adjacent Blocks, as the term is used in legal descriptions of properties.

Example of Irregular Shaped Lots



Lots 6 - 10, are all irregularly shaped lots. (cul-de-sac, pie, flag or panhandled)

Examples of both Irregular and Regular Shaped Lots



Lots 2 & 3 are "regularly" shaped and assessed their actual street frontages. Lots 1 & 4 are "irregularly" shaped and would be assessed 74 feet, which is the average street frontage for "regularly" shaped Lots 2 & 3 ($81 + 67 \text{ feet} \div 2$).

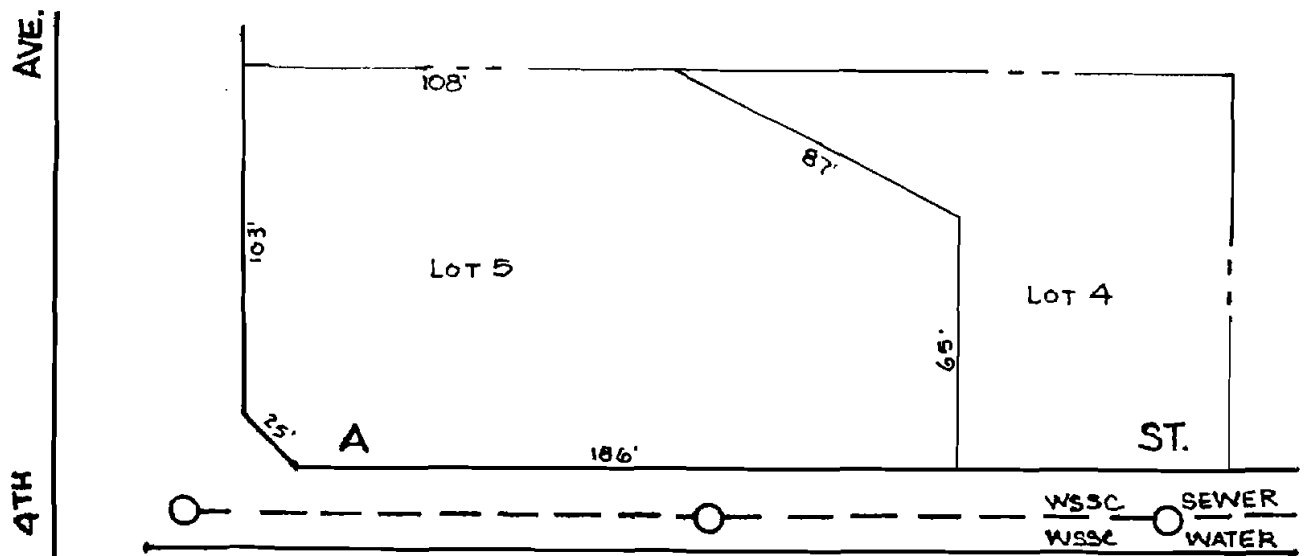
3.2 Abutted Property, Multiple Street Frontages

An abutted subdivision lot that has more than one street frontage is assessed on the basis of just *one* of its street frontages. The front footage used to assess such properties relates to whether its street frontages are perpendicular or parallel to each other, that is whether the property is a corner lot or a lot with parallel street frontages.

3.2.1 Corner Lot

A lot which has two street frontages and is located at the intersection of two streets or roads is considered a corner lot. A corner subdivision lot is assessed on the shorter of its two street frontages including the corner tangent. The shorter side is assessed whether or not it is actually abutted.

An Example of a Typical Corner Lot

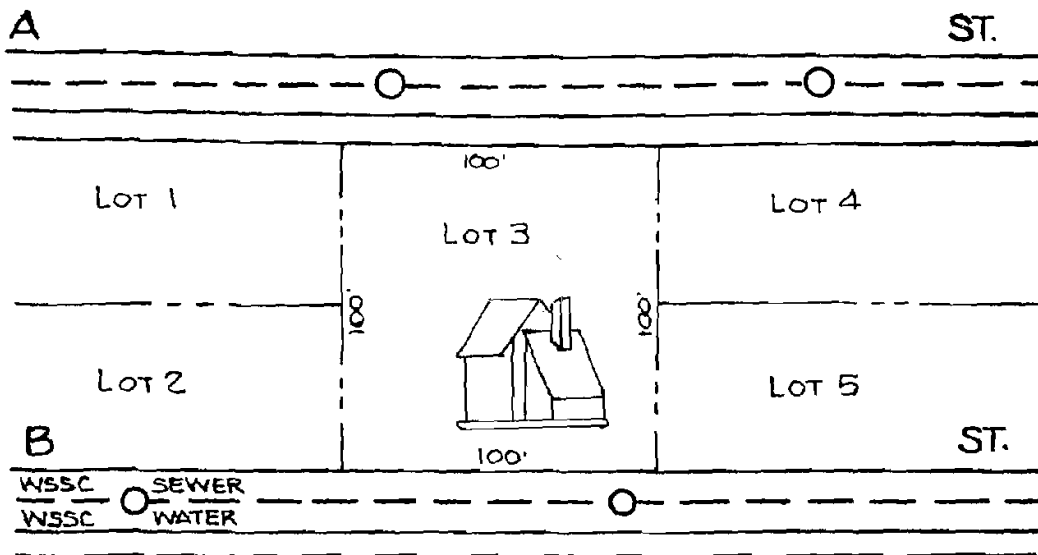


Although Lot 5 a corner lot, abuts water and sewer lines on A Street, its assessment would be for street frontage on 4th Avenue, the shorter side. The assessment would be 128 feet ($103 + 25'$ tangent), for both water and sewer.

3.2.2 Parallel Street Frontages

A lot whose front and rear property lines each face a street has parallel street frontages. Such a lot is assessed on the basis of only one of its street frontages. The street frontage used to assess the lot is the frontage that is first abutted. If both street frontages are abutted in the same calendar year, the property is assessed on the basis of the street frontage that the house faces or is expected to face.

Example of Parallel Street Frontages

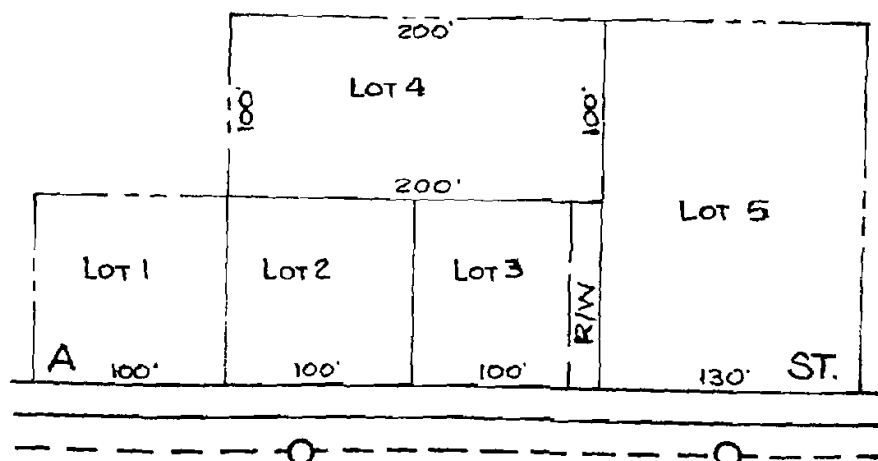


Lot 3 is abutted on both "A & B" Streets. Since both water and sewer lines were completed the same year, Lot 3, would be assessed for 100 feet of water and sewer on B Street, which is where the house faces.

3.3 Non-Abutted Properties

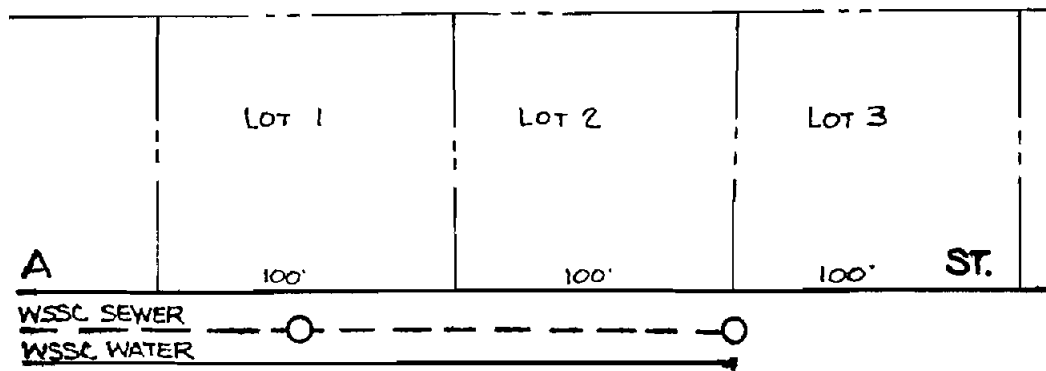
A residential subdivision property that is not abutted by a WSSC water and/or sewer line is generally not assessed until the calendar year following its connection to WSSC service. The assessment rate(s) and term will be those in effect at the time of connection. The property will also be assessed as if it were abutted. Consequently if it is regularly shaped, it will be assessed for its actual street frontage. If it is regularly shaped but has no street frontage, it will be assessed for the length of the shortest of its four sides; or if five sided, the length of its second shortest side. If the non-abutted property is irregularly shaped, it will be assessed on the basis of the average street frontage of all "neighboring", regularly shaped lots.

An Example of a Non-Abutted Lot with No Street Frontage



Lot 4 is regularly shaped, has no street frontage and is not abutted by the water and sewer lines. It receives service through a Right of Way (See Section 9.0) from Lot 3. Therefore, Lot 4 would be assessed for 100 feet, the length of its shortest side.

An Example of a Non-Abutted Lot with Street Frontage



Lot 3 is regularly shaped and non-abutting with street frontage. Therefore, once connected to the water and sewer service, Lot 3 would be assessed for its actual street frontage of 100 feet.

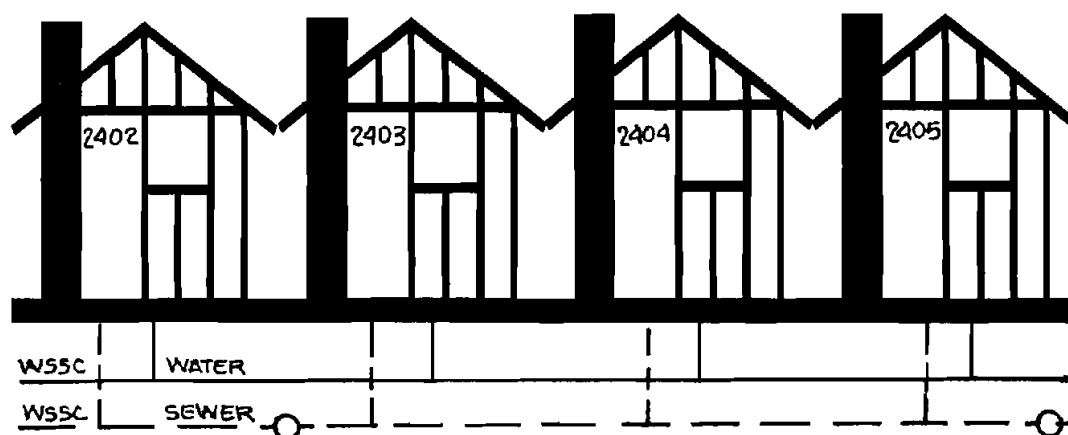
CHAPTER 4: MULTI-UNIT RESIDENTIAL

4.0 INTRODUCTION

A Multi-unit residential property is one that includes more than one residential unit. This classification is used exclusively for Townhouses (Section 4.1), Condominiums and Apartments (Section 4.2), Shared Connections (Section 4.3) and Trailer Park Units (Section 4.4). Except for Trailer Park Units, each type of multi-unit residential property is assessed at the base rate. Each type multi-unit residential property is also assessed at a standard or uniform front footage.

4.1 TOWNHOUSES

The WSSC constructs water and sewer lines to service individual townhouse units through a water and/or sewer connection. To recover construction costs for servicing townhouse developments, each unit is assessed at the base rate for a standard front footage of fifty (50) feet, whether or not abutted by the new water and/or sewer line.



The Townhouse units above are each assessed a standard front footage of 50 feet X the base rate.

4.2 CONDOMINIUMS AND APARTMENTS

Water and sewer lines constructed to service a condominium or apartment community are normally through a single, large water and sewer connection with a master meter. To recover the construction costs, each unit is assessed at a standard front footage, twenty six (26) feet times the base rate.

4.3 MULTI-UNIT WITH SHARED CONNECTIONS

Water and sewer line construction is sometimes required to service unconventional townhouses called "Tri-plex", "Quadriplex", or "Piggy Backs". Unlike conventional townhouses, they have individually metered water connections, but share a common, lower cost sewer connection. Therefore, each residential multi-unit with a shared connection is assessed at the base rate for a standard front footage of thirty two (32) feet.

4.4 TRAILER PARK UNITS

A Trailer Park is a tract of land used for the purpose of parking a mobile home to serve as a place of residence. Each unit of the trailer park is assessed at 1.33 times the base rate (commonly known as the business rate) for a standard front footage of twenty five (25) feet.

CHAPTER 5 SMALL ACREAGE

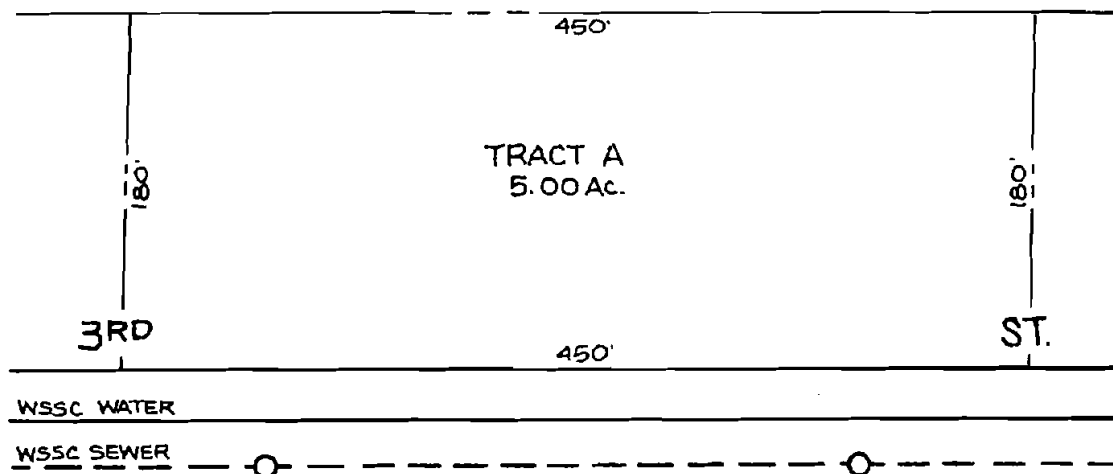
5.0 INTRODUCTION

A Small Acreage property is an improved or unimproved property that is not recorded as a residential subdivision property and not actively used for farming or other agricultural purposes (See Section 8.0).

5.1 FULLY ABUTTED PARCEL

A small acreage property that is fully abutted by a WSSC water and/or sewer line is assessed for its total street frontage. The first 150 feet of abutment is assessed at the base rate; the next 150 feet of abutment is assessed at 75% of the base rate; and all abutment in excess of 300 feet is assessed at 50% the base rate.

Example of Fully Abutted Small Acreage Parcel

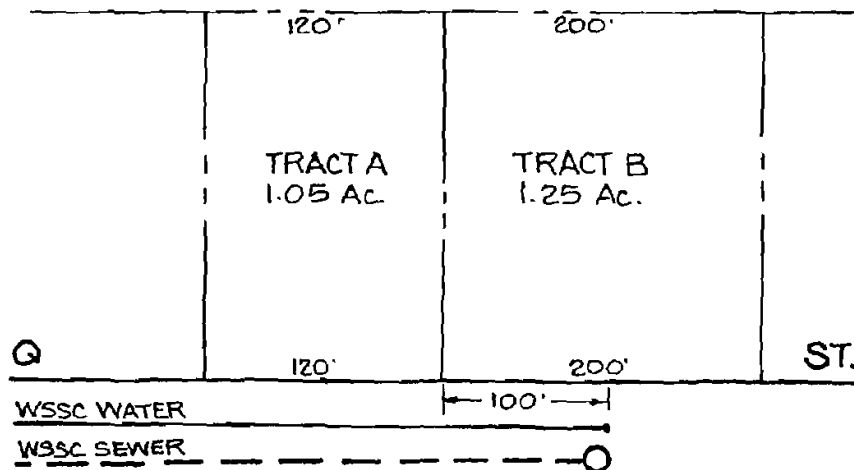


The parcel of land above has 450 feet of pipe abutment for both water and sewer. Its assessments would be as follows:
150 feet X base rate, plus 150 feet X 75% of base rate, plus 150 feet X 50% of base rate.

5.2 PARTIALLY ABUTTED PARCEL

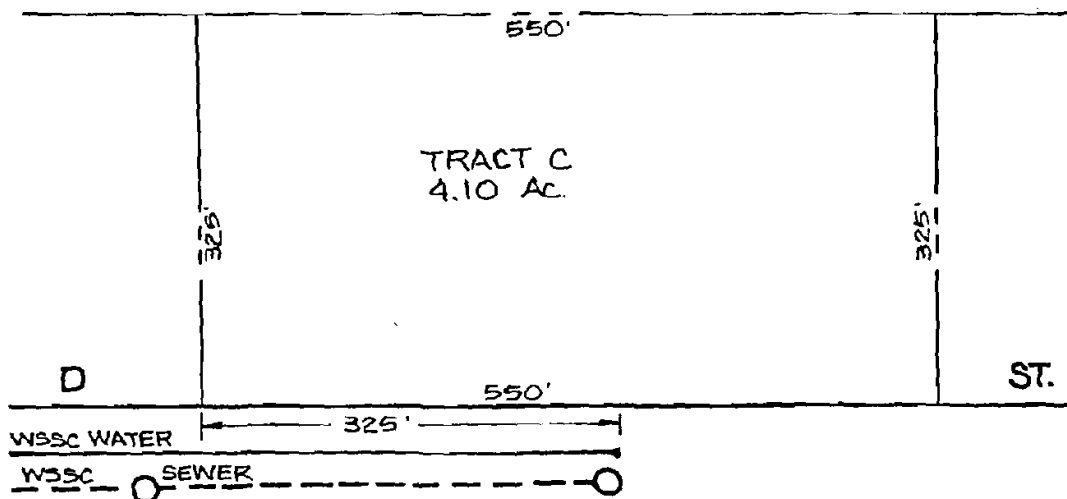
A partially abutted, small acreage property is assessed for its actual street frontage. However, if its street frontage exceeds 150 feet, the property is assessed for its abutted street frontage or 150 feet, whichever is greater.

Example of a Partially Abutted Parcel



Tract B is partially abutted. Its street frontage is 200 feet, 100 feet of which is abutted. Because its street frontage exceeds 150 feet and its pipe abutment is less than 150 feet, the tract is assessed for 150 feet.

Another example of a Partially Abutted Parcel



Tract C has 550 feet of street frontage, 325 feet of which is abutted. Because its street frontage and pipe abutment both exceed 150 feet, the tract is assessed for 325 feet, the length of its pipe abutment, the first 150 feet at the base rate, the next 150 feet at 75% of the base rate, and the final 25 feet at 50% of the base rate.

If the WSSC later extends the water or sewer line, thereby increasing the abutment of a partially abutted property that is over 2 acres, an additional assessment would be levied, taking into consideration the initial assessment. If for example the water and/or sewer lines were extended the remaining 225 feet of Tract C's street frontage, the first 150 feet would be assessed at 75% of the base rate and the remaining 75 feet at 50% of the base rate.

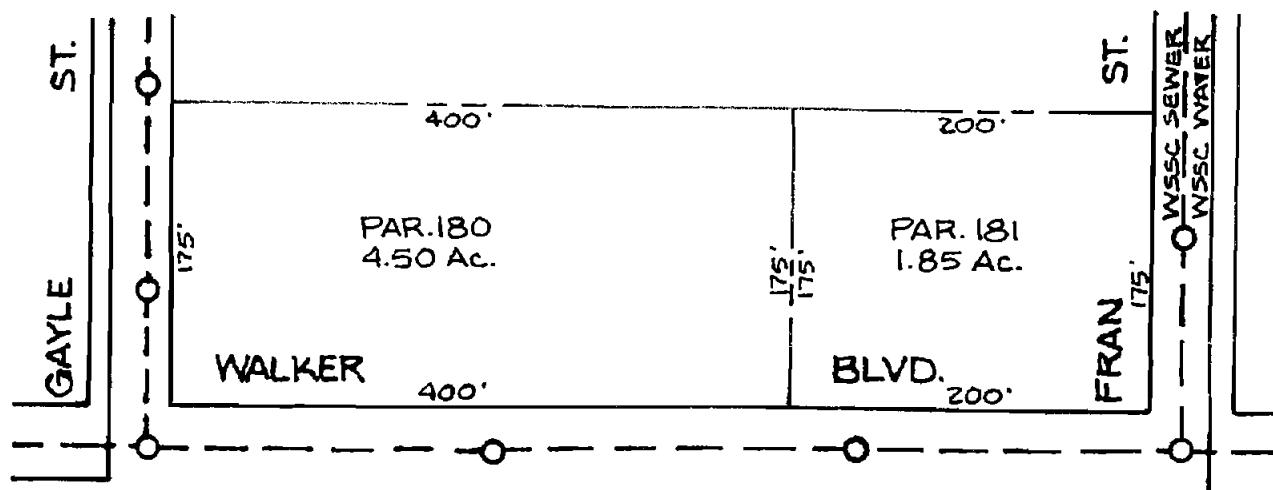
5.3 MULTIPLE ABUTTED PARCELS

A small acreage property that has more than one street frontage and is abutted by a WSSC line on two or more of its street frontages is considered a multiple abutted parcel. Small Acreage properties with multiple abutments that are less than 2 acres are assessed on only *one* street frontage. Multiple abutted parcels that are 2 acres or more are assessed for *all* street frontages that are abutted by water and/or sewer lines, with the exception of a corner parcel (See Section 5.31).

5.31 CORNER PARCEL

A property which is located at the intersection of two streets or roads is considered a corner parcel. A multiple abutted corner parcel less than 2 acres is assessed only for its initially abutted street frontage or the shorter of two simultaneously abutted street frontages. A multiple abutted corner parcel of 2 or more acres is assessed for both abutted street frontages, except for the first 300 feet of the second abutted street frontage. If both street frontages are simultaneously abutted, the first 300 feet of the longest abutted street frontage is not assessed.

Example of Corner parcel (corner allowance)

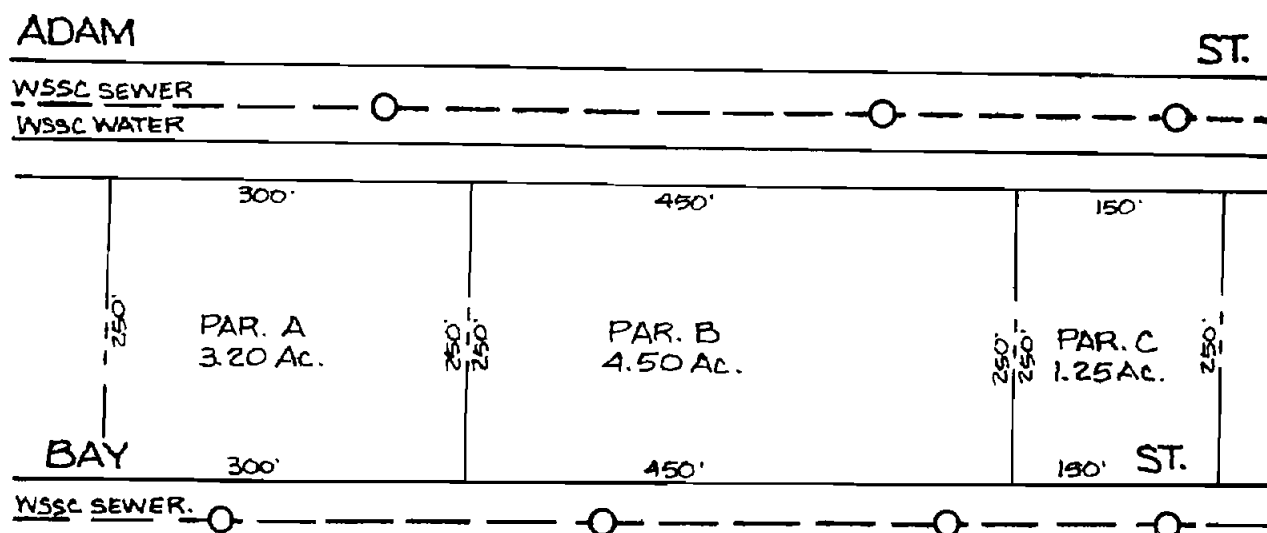


Parcels 180 and 181 were initially assessed 175 feet each for sewer line abutments on Gayle or Fran Streets. Subsequently, sewer line construction was completed on Walker Boulevard. Parcel 180 which is larger than 2 acres would be additionally assessed for 100 feet of the Walker Blvd. abutment (400 less the 300). Parcel 181, would not be additionally assessed since it is less than 2 acres.

5.3.2 PARALLEL STREET ABUTMENT

A parcel whose front and rear property lines each face a street has parallel street frontages. Such parcels are assessed for actual pipe abutment on both streets, if the distance between the two streets is over 300 feet. If 300 feet or less, the parcel is assessed for only one street frontage, the frontage initially abutted. If both street frontages are abutted in the same calendar year, the parcel is assessed on the basis of the street frontage that the house faces or is expected to face.

Example of Parallel Street Abutments

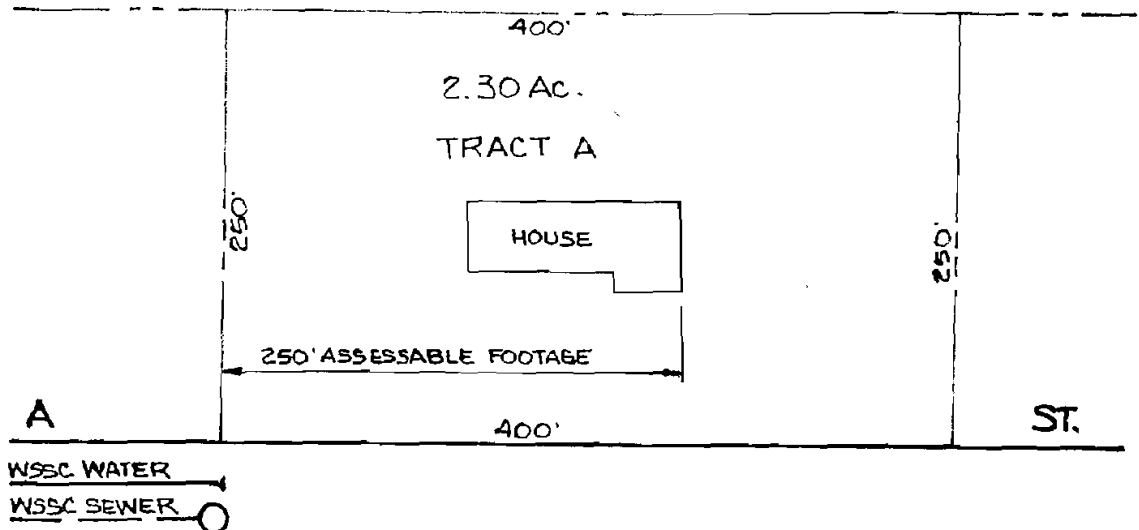


Parcels A, B and C have parallel abutments. The sewer line on Adams was the first constructed. All three parcels would be assessed for their abutments of the line initially constructed on Adam Street. Parcels A, B & C would not be assessed for their abutments of the sewer line subsequently constructed on Bay Street because the distance between the two streets is 300 feet or less.

5.4 NON-ABUTTED PARCEL

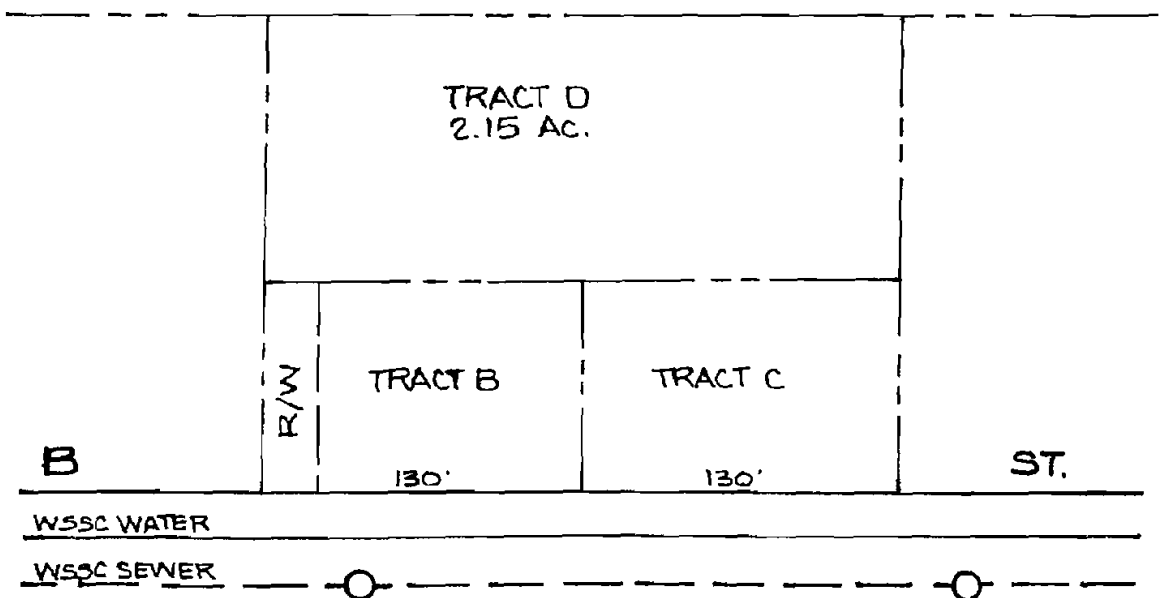
A small acreage property which is not abutted by a WSSC water and/or sewer line is assessed only if the property connects to WSSC, beginning the calendar year following connection. The rate(s) and terms used to assess the property will be those in effect at the time of connection. How such a property is assessed relates to whether it has any street frontage. If it has, the property is assessed for its actual street frontage. However, if its street frontage exceeds 150 feet, the property is assessed for the portion of its street frontage extending from its property line to the far end of the property's residence, or for 150 feet, whichever is greater. If the property has no street frontage, it is assessed on the basis of the assessed street frontage of an approximately similar-sized small acreage property.

Example of Non-Abutted Small Acreage, Street Frontage



The above parcel is not abutted but has street frontage. Since its actual street frontage exceeds 150 feet, it is assessed for 250 feet, the street frontage extending from the property line to the far end of the property's residence.

Example of Non-Abutted Small Acreage, No Street Frontage



Tract D is not abutted, has no street frontage and receives service through a Right- of- Way from Tract B (See Section 9.0). Tract D, because it's size is approximately similar to Tract A, in the above example, is also assessed for 250 feet.

CHAPTER 6 SINGLE BUSINESS OR INDUSTRIAL PROPERTIES

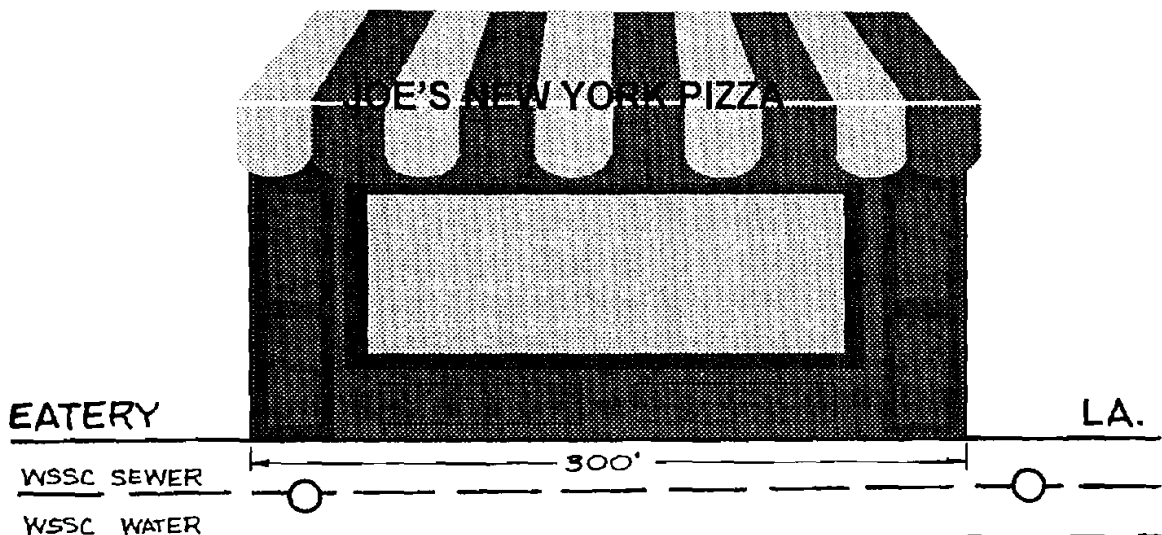
6.0 INTRODUCTION

An industrial or business property is an improved property used or planned for use, by a single commercial endeavor, such as a gas station, restaurant or bank. Single business properties that are at least partially abutted by new WSSC water and/or sewer lines are assessed the year after construction of the line(s) is completed. Non-abutting single business properties are assessed when a connection to service is made, at the rate(s) and term(s) in effect when the connection is made. All single business or industrial properties are assessed at **1.33** times the base rate (known as the business rate) for all assessable front footage.

6.1 ABUTTED (FULL, PARTIAL OR MULTIPLE) BUSINESS PROPERTY

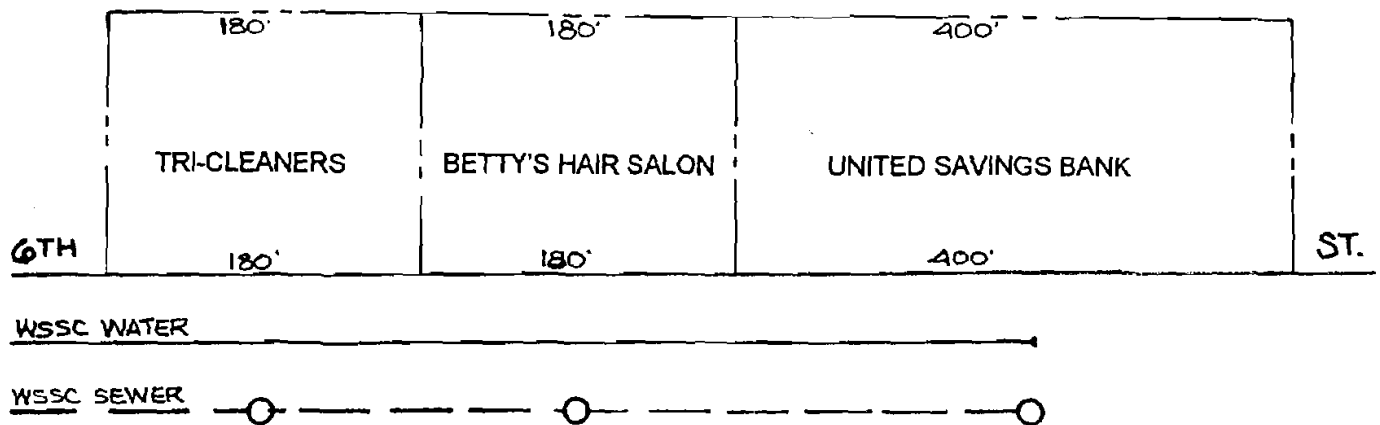
Properties used for a single business or industrial endeavor are assessed for **all** street frontages that partially or fully abut a WSSC main.

Example of Fully Abutted Business Property



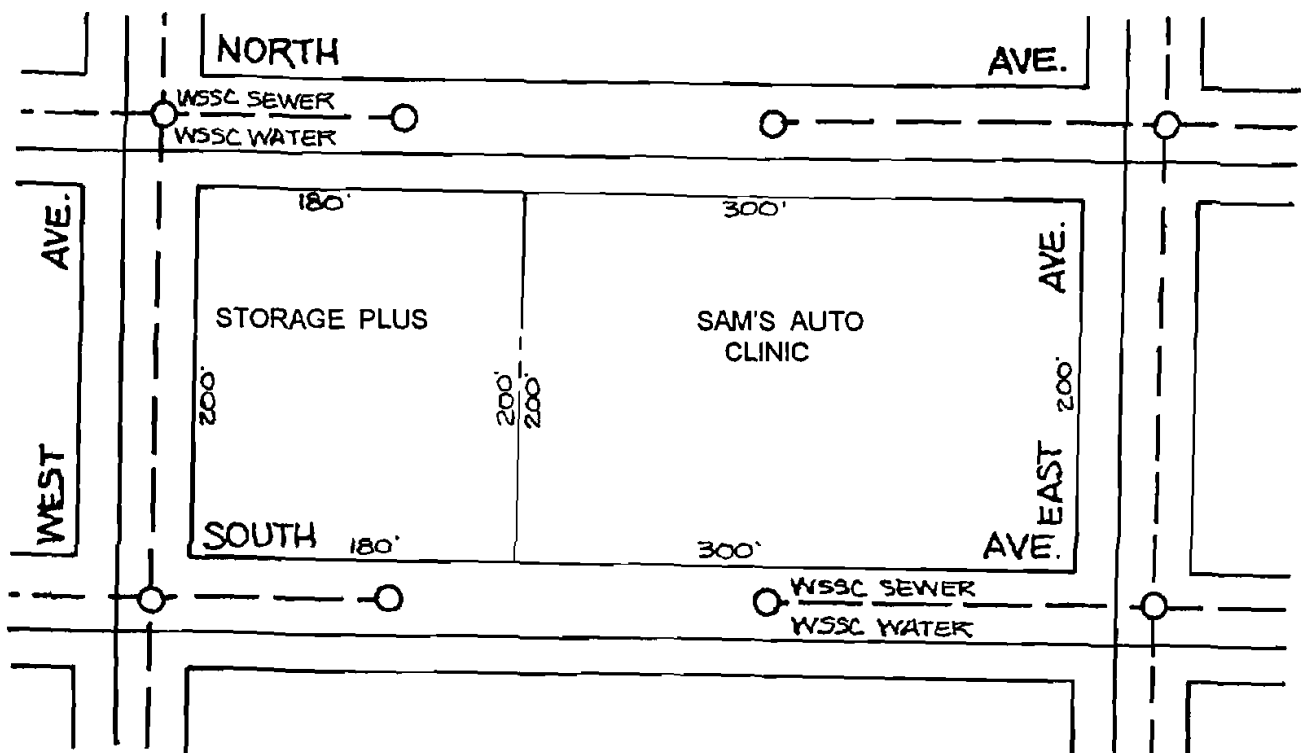
Joe's Pizza is fully abutted on Eatery Lane for 300 feet of frontage. The assessment would be as follows: 300 feet X 1.33 of base rate.

Example of a Partially Abutted Business Property



Tri-Cleaners, Betty's Salon and United Savings all abut water & sewer lines on 6th Street. Although United Savings is only partially abutted, it would be assessed its full street frontage of 400 feet.

Example of Multiple Abutted Business Properties

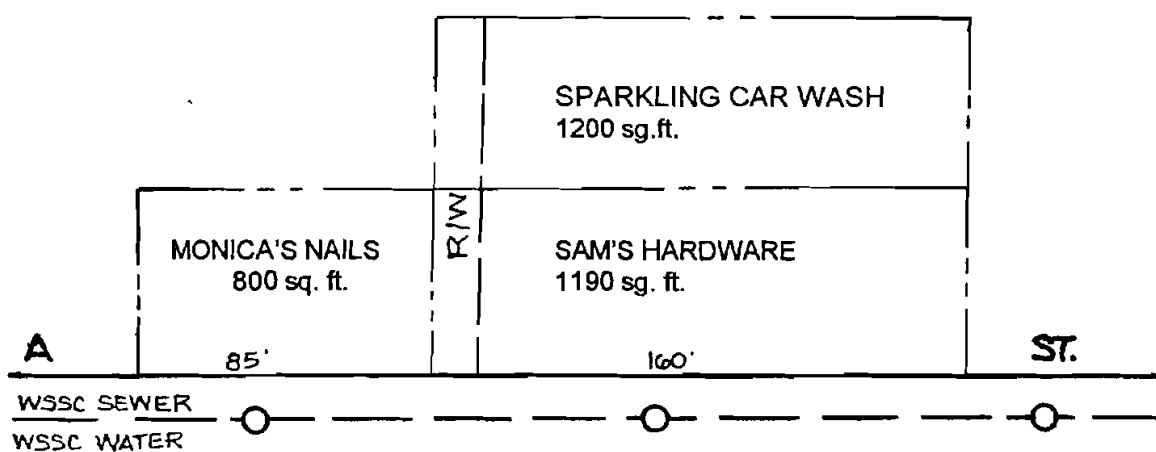


The businesses above are abutted on three different streets. Business properties are assessed on all abutted street fronts. Therefore, Storage Plus would be assessed a total of 560 (180+200+180) feet, and Sam's Auto assessed 800 (300+200+300) feet.

6.2 NON-ABUTTED BUSINESS PROPERTY

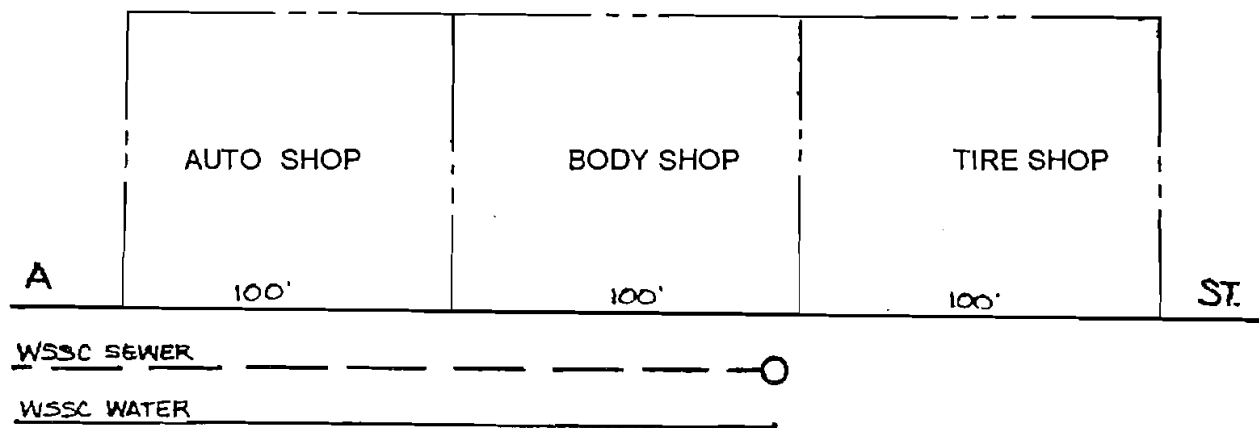
A non-abutted business property with **no** street frontage is assessed following connection to WSSC service on the basis of the actual street frontage of an adjacent similar-size business property. A non-abutted business property with street frontage is assessed following connection to WSSC service, as if it were abutted.

Example of Business Property with No Street Frontage



The car wash is non-abutting and receives service from a right-of-way. Its assessment would be based upon the frontage of the hardware store which is similar in size. The car wash would be assessed for 160 feet.

Example of Non-Abutting Business with Street Frontage



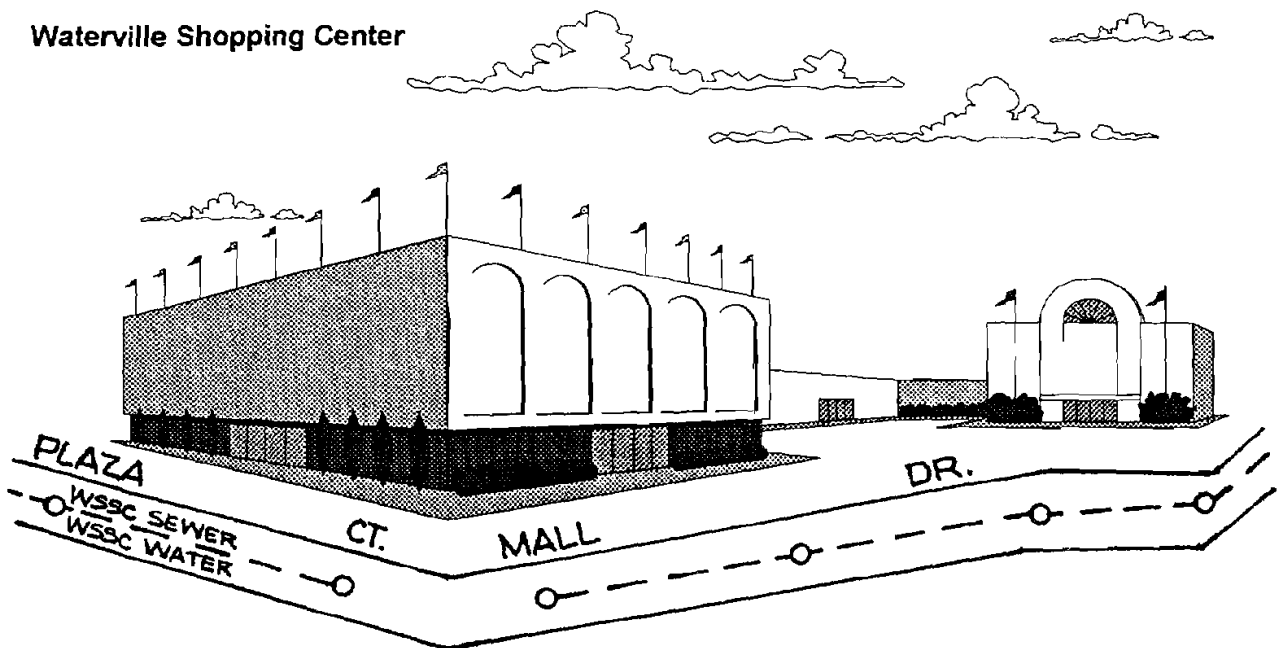
The water and sewer lines do not abut the Tire Shop property. Therefore, it would not be assessed until a connection to service is made. The Tire Shop would then be assessed for its actual street frontage of 100 feet.

CHAPTER 7 MULTI - BUSINESS

7.0 INTRODUCTION

A property with two or more businesses located thereon (for example a shopping center or office building) is classified Multi-Unit Business. Properties within this classification are assessed at the business rate (1.33 times the base rate) for all assessable front footage. They are also assessed for all street frontages that are partially or fully abutted, except for Commercial Developments (Section 7.1).

Waterville Shopping Center



Waterville Shopping Center abuts water and sewer lines on Plaza Court and Mall Drive. Centre Lane is located in the rear (not shown) and is not abutted by the lines. Therefore, the shopping center would only be assessed for its actual frontages on Plaza Court and Mall Drive. If water and/or sewer lines are later constructed on Centre Lane, any new abutments would then be assessed.

7.1 COMMERCIAL DEVELOPMENTS

Included in the Multi-Unit Business classification are developments used specifically for commercial purposes such as townhouse office parks, commercial condominiums, strip warehouses and office complexes. Commercial developments are each assessed at the business rate for a standard front footage of fifty (50) feet.

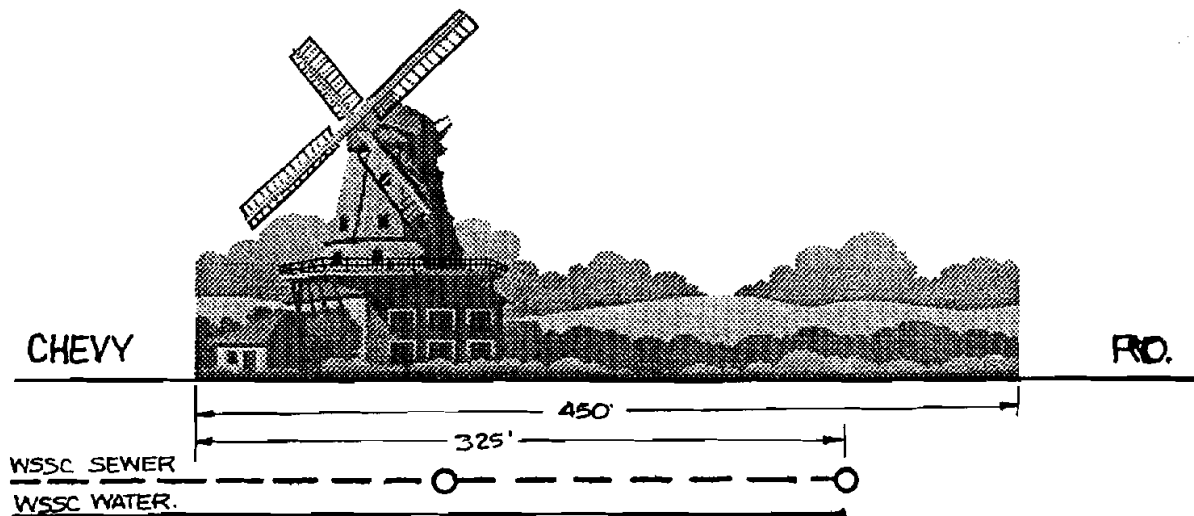
CHAPTER 8 AGRICULTURAL

8.0 INTRODUCTION

An agricultural property is one that is actively used for farming or other agricultural endeavors, such as timberlands, forestry, etc. Agricultural properties must be at least three (3) acres in size and must generate a gross annual income of at least \$2500. The State of Maryland, not WSSC, determines if a property is actively used for agricultural purposes. WSSC's classification of properties as agricultural must also conform with county zoning requirements.

8.1 ABUTTED AGRICULTURAL PROPERTY

Agricultural properties are not assessed until a connection to WSSC service is made. They are then assessed at the rate(s) and term(s) in effect at the time of connection. Once the property is connected to WSSC water and/or sewer lines, it is assessed at the base rate for actual pipe abutment up to a maximum of **150** feet for each connection. However, agricultural properties with more than one connection will not be assessed for more than **300** feet.



The connected Agricultural property above has 450 feet of street frontage, but only 325 feet is abutted by WSSC lines. Therefore its assessment for 325 feet would be as follows :

First 150 feet at base rate
Remaining 175 feet is placed in an agricultural-exempt status

8.2 NON-ABUTTED AGRICULTURAL PROPERTY

A non-abutted agricultural property once connected to WSSC service is assessed at the base rate for a standard front footage of 150 feet.

CHAPTER 9 RIGHT- OF-WAY

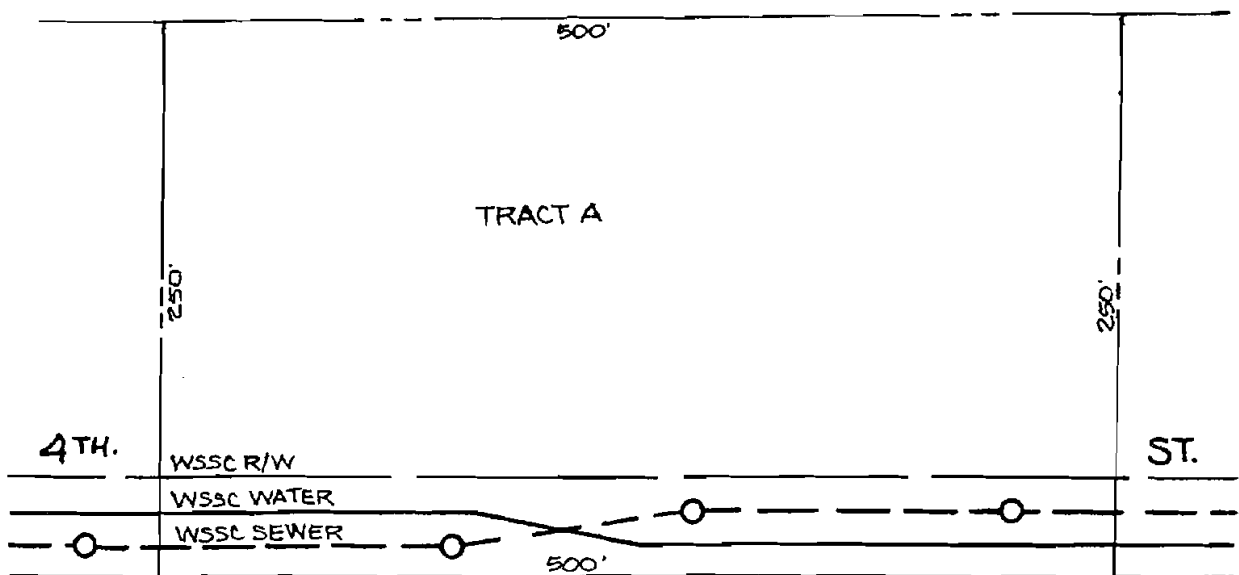
9.0 INTRODUCTION

To provide public water and/or sewer to customers, the WSSC is sometimes required to build its main line(s) on private property. Prior to construction, the WSSC must acquire a "right-of-way" agreement from the current property owner for which the owner is usually reimbursed. The agreement is recorded by deed and filed with the County. Although the main line is built on private property, the property is still assessed FFBC to recover WSSC's construction costs either the year following construction of the main line or following connection to the line, depending on the right-of-way's location.

9.1 RIGHT-OF-WAY ABUTTING A STREET OR ROADWAY

A subdivision or small acreage property that includes a right-of-way which abuts the property's street frontage or is parallel to the street will be assessed the year following construction of the WSSC main through the right-of-way. However, if the property is developed and is served by a well and/or septic system, the lot will not be assessed until it connects to WSSC's system.

Example of a Property with a Right-of-Way Abutting a Street

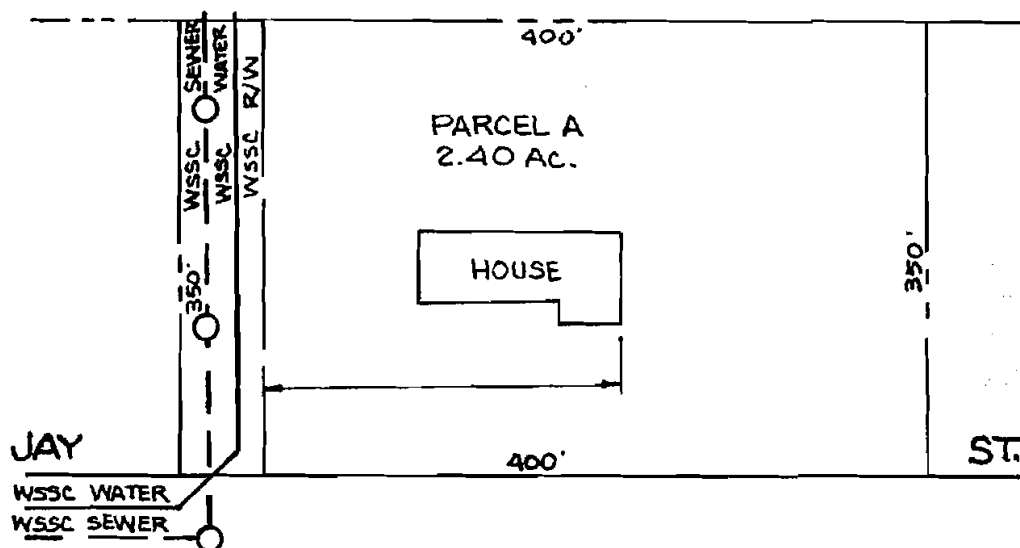


Tract A, an undeveloped Small Acreage property, receives water and sewer service as the result of a right-of-way that is parallel to the street. Because the property is undeveloped and benefits from the main lines, it is assessed whether it connects or not. Because the Small Acreage property's street frontage is fully abutted, the property is assessed for 500 feet.

9.2 RIGHT-OF-WAY NOT ABUTTING A STREET OR ROADWAY

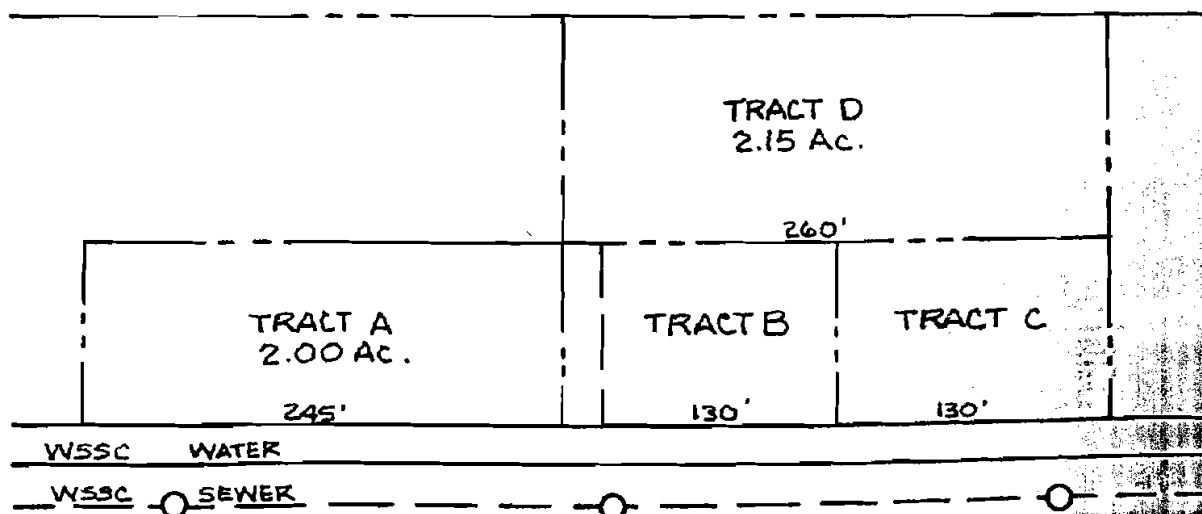
A subdivision or small acreage property that includes a right-of-way that does not abut the property's street frontage will not be assessed until the property connects to the main located in the right-of-way. If, however, concurrent with or following the construction of a main in the right-of-way, the right-of-way is formally recorded as a dedicated street dividing the property, the two resultant parcels would be assessed the year following the street dedication, at the rates and for the terms in effect the year following construction of the main.

Example of a Property with a Right-of-Way Not Abutting a Street



The right-of-way built on Small Acreage, Parcel A is not parallel to Jay Street. Therefore no assessment is levied until a connection is made. The Small Acreage parcel would then be assessed based upon the street frontage extending from the property line to the far end of the house.

Example of a Property with a Right-of-Way not Abutting a Street (Has No Street Frontage)



Tract D has no street frontage and receives service through a Right-of-Way from Tract B. Tract D once connected would be assessed 245 feet, the assessment of Tract A, which is similar in size to Tract D.

CHAPTER 10 MISCELLANEOUS ASSESSMENTS

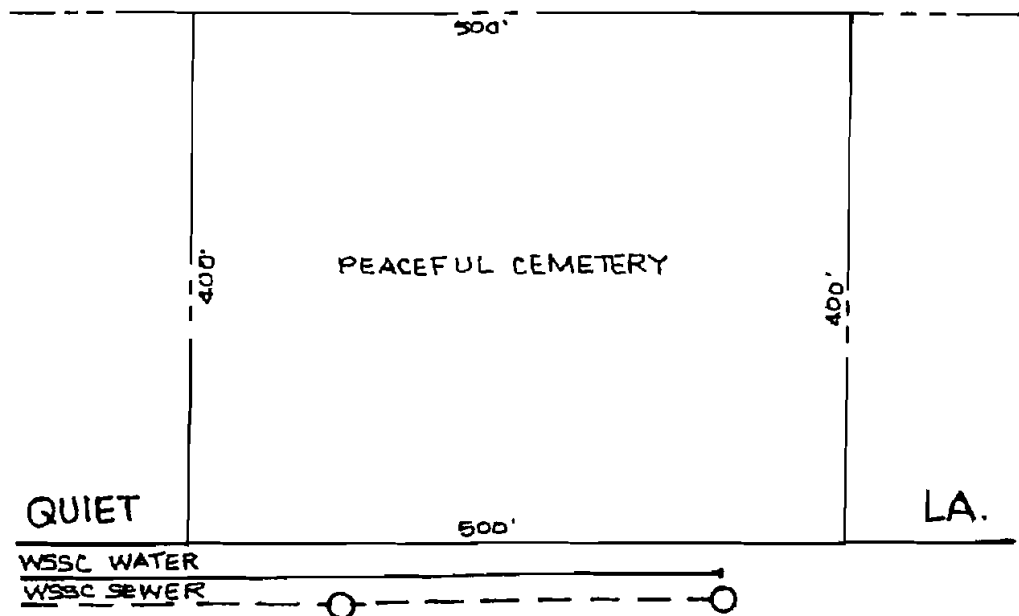
10.0 NON-PROFIT ORGANIZATIONS

Unlike properties owned by the state, a county, a municipality or those used for public purposes by volunteer fire departments, the WSSC does not exempt properties owned by non-profit organizations from assessment of FFBC. However, properties owned by such organizations are assessed using the Small Acreage rather than the Industrial or Single Business methodology. Examples of non-profit organizations are churches, Boy or Girl Scouts of America and charitable organizations.

10.1 CEMETERY ASSESSMENTS

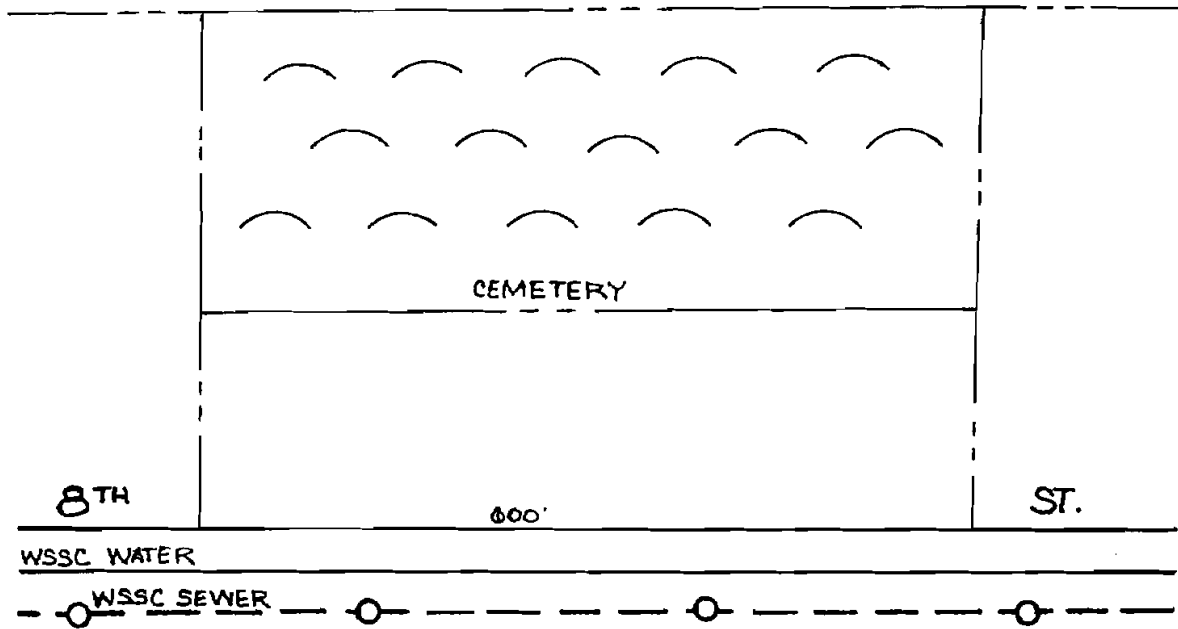
A parcel of land used as a cemetery and abutted by a WSSC main is assessed the year following construction of the main using either the Single Business or Small Acreage rate and methodology, depending on the property's classification. However, if the parcel is used exclusively as a cemetery, and is owned by a church, and is located adjacent to the property upon which the church is located, the property is exempt from FFBC.

Example of how a Cemetery classified as a Single Business is assessed



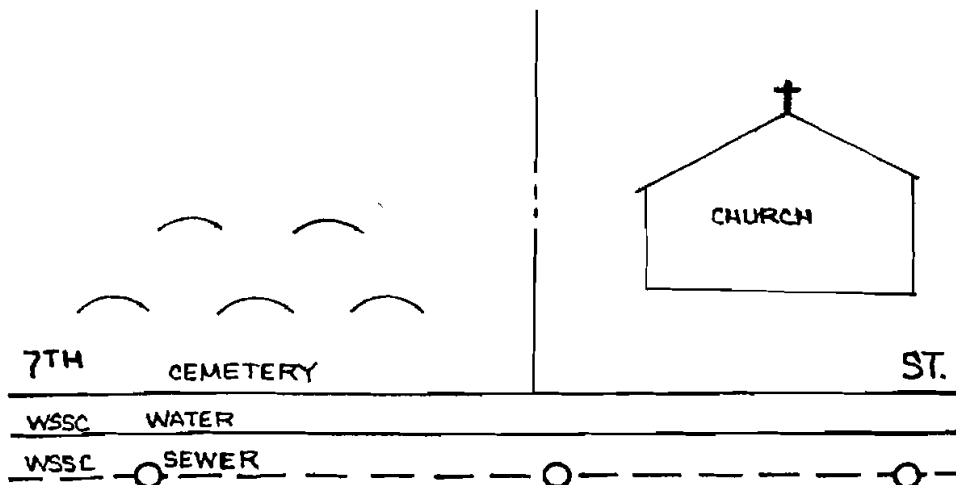
Peaceful Cemetery is a Single Business abutted by water and sewer lines. It would be assessed for 500 feet of frontage on Quiet Lane at the Business rate.

Example of how a Cemetery classified as Small Acreage is assessed



The above cemetery site has a piece of property in front of it and therefore does not abut upon Eighth Street. The property in front of the cemetery would be assessed for 600 feet at Small Acreage rates instead of Business rates.

Example of a Cemetery Site that is Exempt:

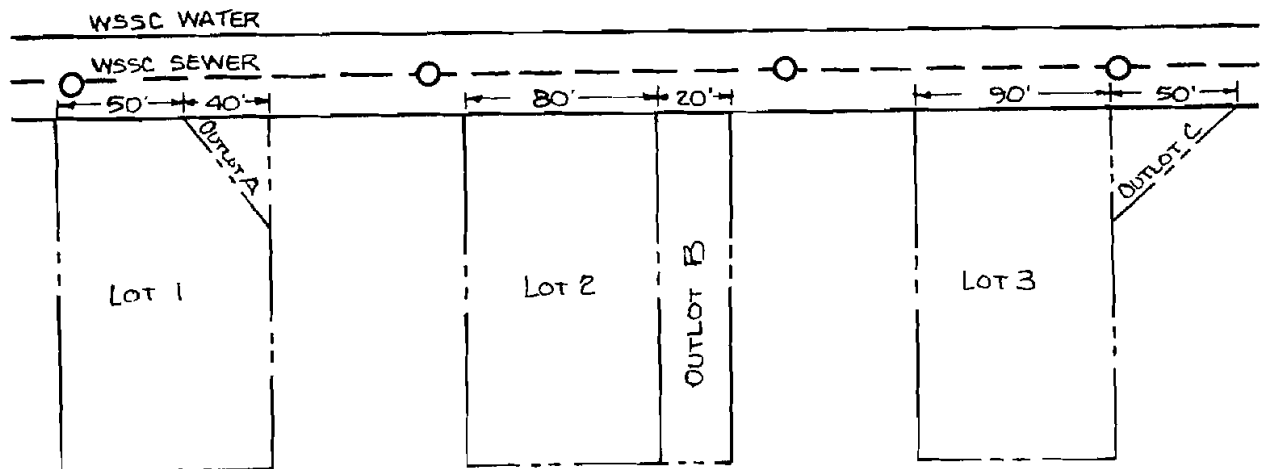


The cemetery which is owned by and adjoining the Church on Seventh Street is not assessed.

10.2 COMMON OWNERSHIP

As mentioned in Chapter 2, Section 2.1, properties that are too small for residential or commercial improvements, commonly referred to as "unbuildable" or "outlots" are generally exempt from assessments. However, an outlot that adjoins a regular lot and shares the same ownership is assessed, because the outlot, like the regular lot, receives a benefit from the availability of public water and/or sewer.

Example of Outlot with Common Ownership



Lot 1/Outlot A and Lot 2/Outlot B, would both be assessed since the adjoining outlots are being used in conjunction with the properties' yards. Lot 3/Outlot C, would remain exempt since Lot 3 receives no additional benefit.

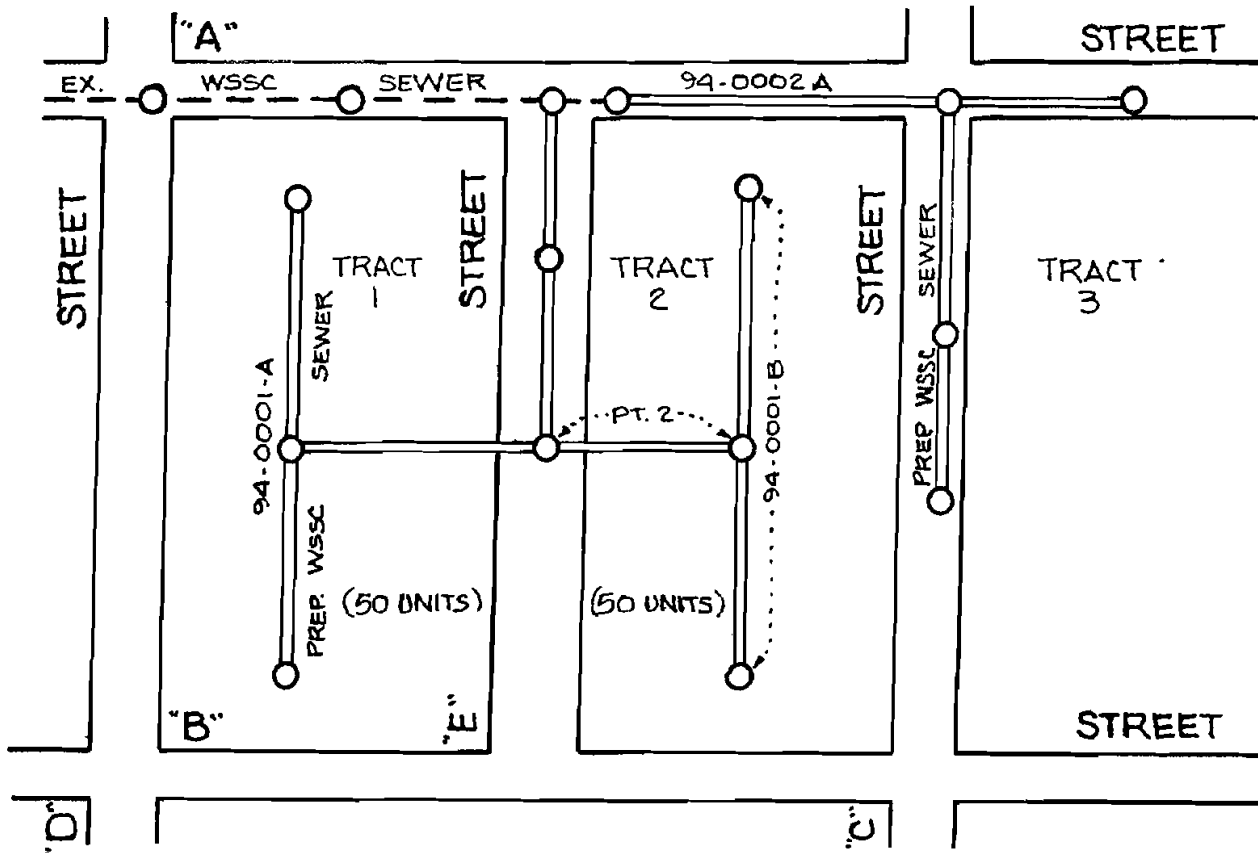
10.3 PROPERTIES DESIGNATED AS PARCELS IN SUBDIVISION PLATS

Most parcels located in a subdivision plat that are designated as common ground area by a Homeowners Association (HOA) or the Maryland-National Capital Park & Planning Commission (MNCPPC) are not assessable. However, parcels in a subdivision plat that have dwellings or structures or simply a service connection and are not utilized by the HOA or MNCPPC are assessable. The assessments are based upon the properties' usage or classification. For example, if the property is used as a residence the assessment is made at the subdivision rates. If the property is a public golf course, the assessment is made at the business rates.

10.4 PROPERTIES DESIGNATED FOR MULTI-UNIT DEVELOPMENT

Multi-Unit development which receives project authorization may be completed in different parts. For example, in the construction of a new subdivision community, the developer may build the homes in parts, such as the Townhomes under Part A, Condominiums under Part B, etc. However, any existing assessments or unassessed construction prior to the new project authorization must be redeemed.

This includes properties designated as green space, open space, street dedications or storm water management. Project Authorization will not proceed to construction without satisfying the redemption condition(s). Utilizing the sample project authorization below, all conditions and requirements are listed. Tracts 1 & 2 are projected to be completed in parts. The proposed construction will extend service to 100 multi-unit residential structures. Part I (contract 94-0001A) is for 50 units located on Tract 1 and Part II (contract 94-0001B) is for 50 units on Tract 2.



- * At the time of project authorization, the redemption of the existing sewer FFBC on Street A is made as a condition of authorization. Construction approval cannot be given without satisfying the redemption condition.
- * A sewer line is constructed on Street E and extends to the interior of Tract 1. Tract 1 would be assessed using the Multi-Unit Residential assessment method.
- * Tract 2 is assessed a token assessment (common ground) using the Small Acreage Classification until it is developed for townhouses.
- * Part II of the project authorization to serve the 50 multi-unit residential structures in Tract 2, is constructed. The 50 units are then assessed using the standard multi-unit residential rates. The assessments for construction on Street E are included in the unit assessments.
- ** A different project authorization proposes construction along Street C for Tract 3, for future development. Tract 3 would then be assessed using small acreage methodology until actual development takes place.
- ** The project authorization to service Tract 3 should reflect no assessment returns against Tract 1 and 2, since they were previously assessed. However, Tract 2 would receive a token assessment to identify the line.

10.5 ON-SITE WATER/SEWER SYSTEM

"Onsite" water or sewer systems are those lines that are privately owned, constructed and maintained. Properties served by most onsite systems are **exempt** from FFBC assessment because the systems were built and financed by a private developer. However, should WSSC have to extend its water or sewer system to provide service to properties served by the onsite system, the properties will be assessed FFBC. Also, should WSSC be requested and agree to "take-over" or assume ownership of a residential onsite system, and the system needs to be upgraded to meet WSSC standards, the owners of the properties may reimburse WSSC for its rehabilitation costs through payment of a special annual assessment. See WSSC Standard Procedure PD98-01; WSSC Acquisition of On-Site Water/Sewer Systems.

CHAPTER 11 RECLASSIFICATIONS

11.0 INTRODUCTION

According to Maryland law, "the WSSC may change the classification of the property if the use of the property changes." This process, known as reclassification, occurs when a change has occurred in a property's usage, recordation or ownership, and that change requires a change in the property's existing front foot benefit charges.

11.1 RECLASSIFICATION TRANSACTIONS

The more common events that result in property reclassifications are:

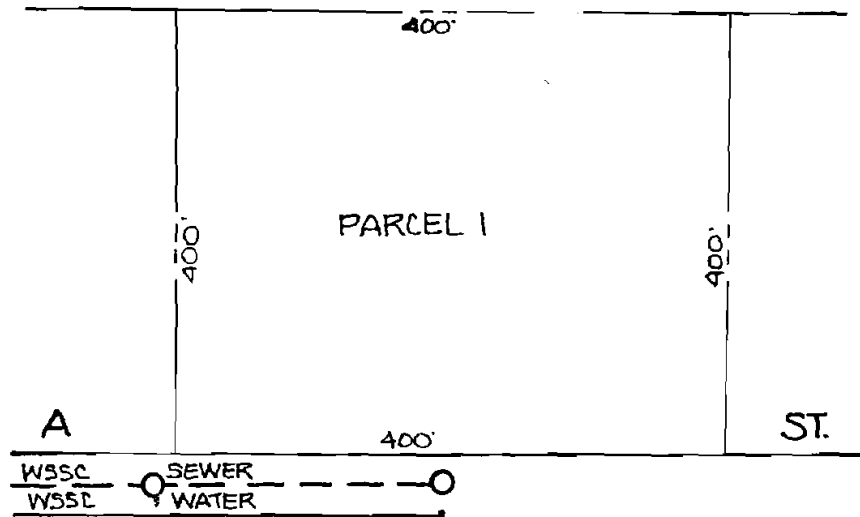
- * plat of subdivision is recorded against a property;
- * property split or combination by deed is recorded;
- * change in ownership from a private entity to government agency or vice versa;
- * an error or oversight is discovered in the property's initial classification.

11.2 RECLASSIFICATION PROCEDURES

Property classification changes are derived from county records, plumbing records or field inspections. When a property's new classification warrants a change or reclassification of its FFBC, the rate and footage used to calculate the new FFBC, as well as the length or term of the new assessment, will be determined as follows:

- A. **RATE(S)** - will be based on the new classification and the rate(s) in effect the year during which the line(s) abutting the reclassified property were built;
- B. **FOOTAGE** - the footage will be determined by using the assessment methodology of the new classification, as described in Chapters 3 - 8.
- C. **TERM** - the new FFBC are levied for the balance of unpaid years of the original assessment. For example, if the original assessment was for 23 years of which 10 were at the small acreage classification and the property is reclassified to business, the business levy will run for the remaining 13 years.

Example of a Reclassified Property



Parcel 1, originally classified as Small Acreage, was assessed for its pipe abutment of 200 feet beginning in 1990. The property was reclassified as Single Business in 1997. Therefore, the property was assessed for its full street frontage of 400 feet at the appropriate business rate. The "reclass" assessment would run for the 16 remaining years of the 23 year bond.

11.3 RECLASSIFICATION NOTICES

Like most new assessments, a formal notice of assessment and cover letter (See Appendix C & D) is mailed to the current property owner whenever a reclassification is initiated by WSSC and the reclassification will result in an annual assessment change of \$50 or more. Formal notification may not occur when a reclassification is initiated by the property owner.

Scenarios that result in a formal notice being mailed:

- * County records indicate that a property classified as Agricultural no longer meets the requirement. The property is therefore reclassified to Small Acreage;
- * Property is assessed as a single business. A field inspection reveals that the property should be classified as Multi-Business.
- * Property owner applies for a house connection to a property that is not abutted by water and/or sewer lines;
- * Records indicate that a property should be removed from a service category 5 or 6 or a property is no longer in an exempt status.

CHAPTER 12

DEFERRED HOUSE CONNECTION CHARGES

12.0 INTRODUCTION

A House Connection (HC) is a lateral line constructed from a WSSC water and/or sewer main normally located in the street and that goes to the applicant's property line. To recover house connection construction costs, the WSSC charges service applicants a fixed rate that is dependent on size and category of the connection. WSSC allows a deferred or an installment payment only for **owner occupied** dwellings with a failed well and/or septic system certified by the Health Department. Once the owner makes an application for service and the house connection is installed, then the deferred charges together with interest are assessed.

12.1 TERM OF DEFERRED CONNECTION

The deferred house connection charge is payable for a period of time equivalent to the term of the bonds issued to finance the connection's construction. Like front foot benefit charges, the current bond term is 23 years which is amortized and payable annually through the County tax bill.

12.2 REDEMPTION OF DEFERRED CONNECTION

Also like FFBC, the deferred HC charges may be redeemed (paid in full) to avoid the interest charges. The "pay in full" amount includes a service charge designed to reimburse WSSC for part of the administrative cost related to processing the redemption. All redemptions must be paid in full by May 31 of any given year to be removed from the current year's tax bill.

12.3 "AHEAD-OF-PAYMENT" CONSTRUCTION

A house connection built by WSSC prior to a property owner's application for service is referred to as an "Ahead-of-Payment" connection. Although the connection is available, no HC charges are assessed until an application for service is made. The rate(s) charged for the house connection would be that in effect at the time of application, rather than those in effect at the time of construction.

APPENDIX



APPENDIX A

WASHINGTON SUBURBAN SANITARY COMMISSION

14501 Sweitzer Lane • Laurel, Maryland 20707-5902

COMMISSIONERS
Kevin P. Maloney, Chair
Marita B. Brown, Vice Chair
Manuel R. Geraldo
Juanita D. Miller
Jinhee Kim Wilde
W. Gregory Wims

GENERAL MANAGER
John R. Griffin

DEPUTY GENERAL MANAGER
P. Michael Errico

Dear Customer:

We are writing to let you know that your property has been assessed "front-foot benefit charges" (FFBC), because last year we constructed and placed in service a water main and/or a sewer line that now abuts, and also likely serves your property.

The attached notice provides details on your property's assessment. However, before you review the notice, let me explain more specifically why properties are assessed FFBC, and how we generally determine each property's assessment. You may be surprised to learn that the availability of public water and sewer services enhances the value of your property. This is why Maryland Law authorizes WSSC to recover from you, the costs of constructing and financing the lines that transport water to your property and/or return sewage to our wastewater treatment plants.

The amount of FFBC each property is assessed depends chiefly on three factors:

- The use made of the property, or its "classification";
- The type of "service" meaning whether the property is abutted by a water main, by a sewer line, or by both;
- The street "frontage", meaning how much of the property borders the street. (Actual street frontage is used if the lot is regularly shaped, meaning it is square, rectangular, or nearly so. If a lot is irregularly shaped, we use the average street frontage of all neighboring regularly shaped lots located on the same or an adjacent block.)

If you or a previous owner requested that WSSC build a water and/or sewer "house connection" to our new line or main, you either paid cash for the connection or chose to have the house connection charges deferred. If the charges were deferred, your property is being assessed charges to reimburse WSSC for the costs of the connection(s).

Now review the attached notice. Under TYPE we show whether the assessment is for FFBC and/or House Connection Charges, and if the assessment is for "water", "sewer", or both. The notice also shows that your property carries a CLASSIFICATION of "Subdivision Residential". Listed under FOOTAGE ASSESSED you'll find the street frontage used to calculate your front-foot benefit assessment. To determine your ANNUAL CHARGE we multiply the first 150 feet by the full residential rate, the next 150 feet by 75% of the full rate and all additional footage (above 300 feet) by 50% of the full rate.

APPENDIX B



WASHINGTON SUBURBAN SANITARY COMMISSION
14501 SWEITZER LANE
LAUREL, MARYLAND 20707

April 11, 1997

NOTICE: FRONT FOOT BENEFIT CHARGES (FFBC) DEFERRED HOUSE CONNECTION CHARGES (NOT A BILL FOR PAYMENT)

Property Owner/Mailing Address

Will - E - Water
1001 Hotwater Drive
Laurel, MD 20717

Property Description and Classification

Subdivision: Waterbrook
Block & Lot: D 2
County: PG Tax ID: 01 00001234
Classification: Residential Subdivision

SUMMARY OF CHARGES

A. If paid Annually

<u>Type</u>	<u>Footage Assessed</u>	<u>Rate Per Foot</u>	<u>Annual Charge</u>	<u>Years to Pay</u>
Water FFBC	61'	\$2.70	\$164.70	23
Sewer FFBC	61'	\$3.99	\$243.39	23
Annual charges this notice			\$408.09	
Previous annual charges			\$0.00	

Total Owed if Paying Annually: \$408.09

B. If Paid Now, in Lump Sum

<u>Type</u>	<u>Principal (Remaining)</u>	<u>Interest Rate</u>
Water FFBC	\$2,157.01	5.3153%
Sewer FFBC	\$3,187.58	5.3153%

Lump Sum charges this notice	\$5,344.59
Previous Lump Sum charges	\$0.00

Total Owed if Making Lump Sum Payment: \$5,344.59

APPENDIX C



WASHINGTON SUBURBAN SANITARY COMMISSION
14501 SWEITZER LANE
LAUREL, MARYLAND 20707

April 18, 1997

**NOTICE: FRONT FOOT BENEFIT CHARGES (FFBC)
DEFERRED HOUSE CONNECTION CHARGES
(NOT A BILL FOR PAYMENT)**

<u>Property Owner/Mailing Address</u>	<u>Property Description and Classification</u>
Oatland Farm L 7200 Wisconsin Ave #901 Bethesda MD 20814	Subdivision: Lot & Block: Parcel: 00075108 County: MT Tax ID: 08 00704126 Classification: Small acreage

SUMMARY OF CHARGES

A. If Paid Annually

<u>Type</u>	<u>Footage Assessed</u>	<u>Rate Per Foot</u>	<u>Annual Charge</u>	<u>Years to Pay</u>
Water FFBC	119'	\$1.83	\$217.77	33

Reason for Reclassification: Agricultural reclassified to acreage

Annual charges this notice	\$217.77
Previous annual charges	\$0.00

Total Owed if Paying Annually: \$217.77

B. If Paid Now in Lump Sum

<u>Type</u>	<u>Principal Remaining</u>	<u>Interest Rate</u>
Water FFBC	\$2,944.99	6.4565%

Lump sum charges this notice	\$2,944.99
Previous Lump Sum charges	\$0.00

Total Owed if Making Lump Sum Payment: \$2,944.99



APPENDIX D

WASHINGTON SUBURBAN SANITARY COMMISSION

14501 Sweitzer Lane • Laurel, Maryland 20707-5902

COMMISSIONERS
Kevin P. Maloney, Chair
Marita B. Brown, Vice Chair
Manuel R. Geraldo
Juanita D. Miller
Jinhee Kim Wilde
W. Gregory Wims

GENERAL MANAGER
John R. Griffin

DEPUTY GENERAL MANAGER
P. Michael Errico

WATER/SEWER BENEFIT CHARGE RECLASSIFICATION NOTICE **THIS IS NOT A BILL FOR PAYMENT**

April 22, ____

Dear Customer:

Maryland law requires the Washington Suburban Sanitary Commission (W.S.S.C) to assess a front foot benefit charge (F.F.B.C.) against properties benefited by abutting water and sewer mains. One of the chief factors in the assessment of a property depends on its "classification". Your previous benefit assessment was based on a property classification of _____. According to County records a change in the utilization of your property has occurred and is currently classified as _____.

The reclassification of your benefit assessments is effective January 1, _____. The revised charges, which are shown on the attached NOTICE OF BENEFIT ASSESSMENT, will appear on your next county real estate tax bill in July _____. You could elect to pay the assessment now, in one lump sum. That sum would equal the figure or figures which appear next to total owed if making lump sum payment. To avoid the assessment appearing on this July's county tax bill, please send us the lump sum payment by May 31, _____.

The revised charge(s) was calculated on the basis of the new property classification and/or any applicable footage change(s). However, the RATE PER ANNUAL CHARGE will remain the same until the assessment is either paid in full or additional changes in footage or classification occur. If either you or a previous owner elected to defer the cost of a water/sewer service "house connection", that cost is also shown.

If you have a question or concern about your property's assessment, please call us at (301) 206-8032. We are available every weekday between 8 a.m. and 5 p.m. If, after talking with us, you remain concerned that the assessment is in error, you have the option of requesting an informal hearing with a WSSC Commissioner. This request should be made in advance by writing to us at 14501 Sweitzer Lane, Laurel, MD 20707, or by calling us at the telephone number listed above by May 17, _____. This date is extremely important since there is only one day provided for informal hearings. All informal hearings will be held during the evening on May 22, _____, beginning at 5:30 p.m. in the Commissioners Auditorium at our Laurel Office Building. Following the hearing, you would receive a written decision from the Hearing Officer.

Sincerely,

Pearl Walker

Assessments Unit Coordinator