



## Common Ownership Communities

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June 25, 2019

*Executive Summary*

A common ownership community (COC) is an organization consisting of property owners within a residential development that share common property. COCs are governed by an association board of residents who adopt and enforce rules and regulations, assess dues for maintenance of common property and operations, and hold property owners accountable for rule violations. There are three kinds of COCs – condominium associations, homeowner’s associations (HOA) and cooperatives. This report responds to the Council’s request to review the “state” of common ownership communities, including the prevalence of COCs in the County, interaction with County Government, and rates charged and rebates available to properties in COCs compared with those not.

Prevalence of Common Ownership Communities in Montgomery County

There are several sources of data on COCs in the County; however, it is not currently possible to accurately and comprehensively catalog all COCs and their characteristics. Staff report that data from the various sources may be missing data, have inaccurate or duplicate data, and lacks specific geographic data. However, the most complete database of COCs is based on the annual registration requirement of COCs in the County. According to this database, there are currently 1,039 COCs are registered with the County, including over 133,000 homes and over 340,000 residents. The table below shows the zip codes with the highest number of COCs.

ZIP Code	Place	All COCs		HOA		Condominium		Unknown		COC Units Per 100 People*
		COCs	Units	COCs	Units	COCs	Units	COCs	Units	
Total		1,080	139,239	477	46,661	343	39,904	260	52,674	14
20874	Germantown	94	18,506	32	5,692	42	4,826	20	7,988	30
20906	Silver Spring	83	13,378	26	2,075	24	3,667	33	7,636	19
20879	Gaithersburg	49	8,823	30	4,015	7	1,683	12	3,125	33
20852	Rockville	58	8,525	22	1,569	27	6,008	9	948	19
20850	Rockville	55	8,125	17	1,083	21	2,205	17	4,837	17

Stakeholder Feedback

OLO spoke with many stakeholders in County Government, local utility companies, and representatives from common ownership communities. OLO heard three primary concerns from most stakeholders:

- There is significant concern about the financial stability and sustainability of common ownership communities and the County has begun to address it through the creation of the Task Force on Distressed Common Ownership Communities and development of a Community Distress Index;
- Property managers, residents, and potential residents in common ownership communities need more education on what it means to live in a COC (including fees, charges, and rebates available) and government services and programs offered;
- The distinction between commercial and residential property needs to be reviewed, as condominium buildings, which are classified as “commercial” buildings in State and County Code but are residential in use, are assessed higher permitting fees and receive additional inspections compared with single-family homes and master-meter communities are not eligible for energy or utility rebates because they do not have an individually metered bill

### Interaction with County Government and Local Utilities

The Office of Common Ownership Communities (OCOC) within the Department of Housing and Community Affairs (DHCA) is the primary department that interacts with common ownership communities. The OCOC is responsible for providing education, technical assistance and referrals for COCs, establishing a dispute resolution process, maintaining a database of all COCs in the County, and providing staff support for the Commission on Common Ownership Communities.

Homes in common ownership communities can also have significant interaction with other County departments and local utilities. OLO found that the services/programs offered and the rates/charges/rebates available to homes is based on a property's designation (commercial or residential), geographic location and type of utility meter (individual vs. master-meter) - not on whether a property is located in a common ownership community.

Department/Utility	Programs and Fees Based On....
Department of Environmental Protection	Location, size and type of property
Department of Permitting Services	Classification as commercial or residential building by State and County codes
Washington Suburban Sanitation Commission	Zoning classification as residential or commercial and the type of meter at the property
Baltimore Gas & Electric (BG&E)	Individual meter (classified as residential) or master-meter (commercial)
Potomac Electric Power Company (PEPCO)	Individual meter (classified as residential) or master-meter (commercial)
Washington Gas	Individual meter (classified as residential) or master-meter (classified as group metered apartment service) or master-meter (classified as commercial)

### OLO Recommendations

- #1. Discuss ways to increase education for home buyers in common ownership communities, particularly those purchasing in condominium associations with DHCA's Office of Common Ownership Communities and other stakeholders. The County is currently increasing its' education efforts - the Council should discuss with County staff and community stakeholders what additional educational efforts are feasible.
- #2. Request updates from the DHCA Task Force on Distressed Communities and discuss any recommendations, including an update on the current status of the Task Force and a worksession in the fall when the final report is scheduled to be completed.
- #3. Request that DHCA examine the feasibility of adding more precise geographic data to the COC dataset to improve future efforts to analyze data on COCs in Montgomery County and identify distressed communities.

For the full OLO Report 2019-6: Common Ownership Communities, go to  
<https://www.montgomerycountymd.gov/olo/>

# OLO Report 2019-6

## Common Ownership Communities

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## Introduction

A common ownership community (COC) is an organization consisting of property owners within a residential development that share common property. These communities are governed by associations required to establish a method of self-governance, own and maintain common property, adopt and enforce rules and regulations, assess dues for maintenance of common property and operations, and hold property owners accountable for rule violations. These communities are designed to give homeowners control over their community and provide services and amenities that might otherwise be provided by local government or not, including pools, playgrounds, and community centers.

Montgomery County has experienced significant growth in common ownership communities since the 1990s, with approximately 40% of County residents currently residing in these communities. The Council asked OLO to review the “state” of common ownership communities, including summarizing available data on the prevalence of COCs in the County, interaction with County Government, and rates charged and rebates available to properties in COCs compared with those not.

**Methodology.** To prepare this report, OLO gathered information through document reviews, data analysis, and interviews with staff from Montgomery County Government, Washington Suburban Sanitation Commission, local utility companies, and other stakeholders in the community. OLO staff members Natalia Carrizosa and Kristen Latham completed this report with assistance from Stephanie Bryant and Kelli Robinson. OLO received a high level of cooperation from everyone involved in this study and appreciates the information and insights shared by all who participated:

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**Commission on Common Ownership Communities**

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**Other Stakeholders**

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## Chapter I. Definition and Legal Structure of Common Ownership Communities

Montgomery County has experienced significant growth in common ownership communities since the 1990s, with approximately 40% of County residents currently residing in these communities - currently, there are over 1,000 communities with up to 140,000 units. The three types of community ownership communities, which are defined by scope of ownership, are listed below:

- Condominium Associations. Each homeowner owns his/her individual unit but maintains a joint ownership in the building and its grounds. Assessments, paid by each unit owner, cover the cost of maintaining the building and common areas.<sup>1</sup>
- Homeowners' Associations (HOA). Homeowners individually own their lots and homes, while the association owns the common areas. Association fees and dues support the maintenance of common areas, with individual homeowners responsible for the cost of maintaining their property.<sup>2</sup>
- Cooperative Housing Associations. In cooperatives, a corporation owns the building and units, with residents purchasing stock in the corporation. The stock entitles the resident to live in the building owned by the cooperative. The resident does not own the unit but has an absolute right to occupy the unit.<sup>3</sup> Corporations have the right to evict members who are in violation of their leases or not paying their fees.

This chapter summarizes the commonly used laws and documents that determine the legal standing, authority, and activities of common ownership communities in the County, including the County Code and State laws.

It is also important to note that the authority and responsibilities in individual common ownership communities are outlined in each community's declaration of covenants, conditions, and restrictions (CCRs) and bylaws. Typically, CCRs establish the HOA and sets forth the rights and obligations of the owners and their association. Specifically, CCRs include parcel information, types of housing allowed, maintenance requirements, member obligations, and assessment information. The bylaws of a community association are its administrative rules, including the authority and responsibility of the board and the rights of the members.

### A. Maryland State Laws

The State of Maryland establishes definitions and governance of common ownership communities and permits counties to enact additional policies.

#### 1. Definitions and Governance of Common Ownership Communities

State law defines and outlines key governance principles for the three primary types of common ownership communities: condominium associations, homeowner associations, and cooperative housing associations.

**Maryland Condominium Act** (Md. Code Ann., Real Prop. Art. §11- 101, et seq.). This act identifies how and when a condominium is officially established and provides a framework for the governance of condominium associations, including management and termination.

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<sup>1</sup> MOVOTO Foundation, "The Difference between HOA and Condo Fees," available at <https://www.movoto.com/foundation/hoa/the-difference-between-hoa-and-condo-fees/>.

<sup>2</sup> *Ibid.*

<sup>3</sup> National Association of Housing Cooperatives, "Buying into a Housing Cooperative," available at <https://coophousing.org/resources/owning-a-cooperative/buying-into-a-housing-cooperative/>.

**Maryland Homeowners Association Act** (Md. Code Ann., Real Prop. Art. §11B-101, et seq.). This law requires sellers to make certain disclosures to buyers who are purchasing property within a homeowner's association, including the rights, responsibilities, restrictions, and obligations of living within the association.

**Cooperative Housing Corporation Act** (Md. Code Ann., Corporations and Associations Art. §5-6B.01, et seq.). This law states that a Maryland cooperative housing corporation is a domestic or foreign corporation in which each holder of stock or membership has a cooperative interest in the corporation. This makes cooperatives unique from HOAs or condominium association in that members possess both stock or membership and a lease.

In recent years, the Maryland General Assembly has passed several laws that address several governance issues related to common ownership communities.

- **Maryland Contract Lien Act** (Md. Code Ann., Real Prop. Art. §§14-201- to 206). This law states that if an owner has not paid the assessments in full, the association may warn the owner of potential default, advising that if the owner doesn't pay the amount owed within 30 days, the association can file a lien against the property. In 2015, the General Assembly passed a law that limited the foreclosure of the lien to collection of assessments, special assessments, interest and reasonable costs and attorneys' fees. Foreclosure cannot occur if the owner only owes fines, attorney fees or collection fees (MD. Code Ann., Real Prop. Art. §14-204).
- **Maryland Cooperative Transparency and Member Rights** (Md. Code Ann., Corporations and Associations Art. §5-6B.01, et. seq.). This law provides owners in cooperatives many of the rights that condominium and homeowner association members have, including a dispute resolution procedure.
- **Suspension of Parking and Amenities** (MD. Real Prop. Art. §§11-101, 103). This law makes it easier for condominium associations to collect delinquent assessments by suspending use of the common area parking lots and recreational facilities.

## 2. State Laws Related to Master-Meter Communities (Prince George's County Specific Legislation)

In 2017, a condominium complex in Prince George's County was condemned, resulting in the governing condominium association declaring bankruptcy and the eviction of homeowners. The buildings in the complex were deemed not livable or safe by the County, including crumbling walls, mold, broken alarm system and fire doors, and an accumulation of trash. Further, the utilities to the buildings were cut off numerous times, as the association owed more than one million dollars in past utility payments.<sup>4</sup> This community was a master-meter community, meaning that housing units do not have individual meters for utilities, but rather one meter measures utility usage in the community or building.

As a result, the Maryland General Assembly prohibited the approval of master-meter communities for electric, gas, or water and sewer service by the Maryland Public Service Commission and Washington Suburban Sanitary Commission in Prince George's County.<sup>5</sup> This law applies to newly constructed residential condominium or cooperative ownership, or a residential multiple-occupancy building converted to condominium or cooperative housing. If a residential building was previously approved for master-meter utility services, the building may not be converted to condominium or cooperative ownership until individual meters have been installed in each unit and common areas.

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<sup>4</sup> <https://www.wusa9.com/article/news/local/maryland/residents-look-to-federal-bankruptcy-judge-to-get-utilities-back/342417425>

<sup>5</sup> Md. Code Ann., Pub. Util. Art. §§7-304.1, 23-202.



The law also established a task force to study the use of and issues related to master-meter residential buildings in Prince George's County that were constructed or converted to condominium or cooperative ownership prior to the law's enactment. The Task Force on the Use of Master-Meters for Utility Services in Prince George's County final report is expected on December 31, 2019.

## **B. Montgomery County Code**

State Code grants authority to Montgomery County to regulate common ownership communities, condominiums, and cooperative housing located in the County. Chapter 10B of the County Code and Regulations governs COCs generally, while Chapters 11A and 11C outline rights and responsibilities for converting rental housing to a COC (i.e., condominium association or cooperative housing).

### **1. Chapter 10B of County Code and Regulations, Common Ownership Communities**

Chapter 10B summarizes the administration of COCs in the County, including the role and responsibility of County government, establishment of the Commission on Common Ownership Communities (CCOC), and dispute resolution. The State definition of common ownership communities - homeowners associations, condominium associations, and cooperative housing projects - applies to County Code Chapter 10B. Further, Chapter 10B requires:

- All COCs register with the County annually and pay a registration fee;
- All COCs notify their members of the existence and role of the Commission;
- All members of the governing body of the COC must successfully complete the educational curriculum developed by the Commission; and
- Each COC governing body must provide DHCA with a list of all known rental units within the community.

### **2. County Laws Related to the Conversion of Rental Units to Common Ownership Communities**

Chapter 11A and 11C of the County Code and Regulations establish rights and requirements for when a developer seeks to convert rental housing to a common ownership community, either a condominium association or cooperative housing.

**Chapter 11A of County Code and Regulations, Condominiums**, was established to address the lack of rental housing in the County created in part by developers converting apartments to condominiums. Under Chapter 11A, prior to the conversion of rental housing to condominiums, the developer must first offer the units for sale to the County or the Montgomery County Housing Opportunities Commission or offer extended lease terms to certain tenants. The law also:

- Requires developers to provide buyers of condominiums with basic information and a consumer guide about purchasing this type of residential property;
- Requires developers to contribute annually to the condominium association's reserves as long as they retain control of the units; and
- Outlines procedures for complaints, penalties, and enforcement.

**Chapter 11C of County Code, Cooperative Housing,** governs the management of the conversion of a rental property to a cooperative housing unit. Under this law, developers of cooperative housing units must:

- Register the cooperative project with the County and inform all current tenants that the property may be converted;
- Provide information on the project to all current tenants;
- Offer extended leases to eligible tenants until at least twenty (20) percent of the units are under extended leases;
- Offer payment to a low-income senior or low-income handicapped tenant in an amount equal to three months' rent for the unit if the tenant does not accept a lifetime extended lease or it is not offered; and
- Offer cooperative membership to the tenant or offer the rental property for sale to the County.

## **Chapter II. Data on Common Ownership Communities**

This chapter responds to the Council's request to catalog COCs in Montgomery County. OLO found that while several sources of data on COCs in the County exist, it is not currently possible to accurately catalog all COCs and their characteristics in a comprehensive manner. This chapter is organized as follows:

- **Section A** describes available sources of data on COCs located in Montgomery County and their limitations, followed by a summary of several COC studies; and
- **Section B** presents the geographical distribution of COCs in the County.

### **A. Data on Common Ownership Communities in Montgomery County**

The Montgomery County Code requires COCs to register annually with the Department of Housing and Community Affairs (DHCA) and provide information on its elected leadership and management company.<sup>6</sup> This data is publicly maintained and updated in real time by DHCA and currently includes over 1,000 communities with up to 140,000 units. This dataset includes information on the city, ZIP code and number of units for each community (See Section B). However, DHCA's dataset has the following limitations:

- **Excludes COCs within certain municipalities located in the County.** Communities within the limits of the City of Gaithersburg, the Town of Garrett Park, the Town of Laytonsville, the Town of Poolesville, the Town of Somerset and the Town of Washington Grove are not subject to the registration requirement;<sup>7</sup>
- **Excludes COCs Out-of-Compliance with Registration Requirements.** Of the communities required to register, staff report that not all communities are in compliance, meaning that an unknown number of communities are not included in DHCA's dataset;
- **May Double Count Properties.** Some units may belong to more than one community (e.g. units in a condominium community that is also part of a homeowner's association), and therefore may be "double counted;" and
- **Lack of Data Specificity Limits Analysis.** The dataset does not contain sufficient information to map COCs to more specific geographic locations than ZIP codes. As a result, the data cannot be accurately linked to other data sources, such as property tax records, that could provide additional information on community characteristics.

OLO examined additional data sources: DHCA's 2015 survey of COCs, property tax records, the Washington Suburban Sanitary Commission's dataset of master-meter communities, and the Montgomery County Planning Department's Homeowner and Civic Association dataset. However, these datasets do not include all COCs and/or do not clearly identify which properties fall within a COC and which ones do not. As a result, DHCA's dataset represents the most comprehensive list of COCs in the County.

**Financially Distressed Common Ownership Communities.** The Taskforce on Distressed Common Ownership Communities, initiated by the County Council in 2018, is working in partnership with DHCA and CountyStat to identify and analyze COCs that are financially distressed. These efforts include the following:

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<sup>6</sup> Montgomery County Code Sec. 10B 7(a)(1)).

<sup>7</sup> "Commission on Common Ownership Communities: Registration," Montgomery County Department of Housing and Community Affairs, < <https://www.montgomerycountymd.gov/DHCA/housing/commonownership/Registration.html> >

National Center for Smart Growth at the University of Maryland Study (2018). DHCA contracted with the National Center for Smart Growth (NCSG) at the University of Maryland to analyze COC data, identify indicators of financial distress, and assess the level of distress in COCs. This study examined DHCA’s COC registration data, survey data, and data on training of COC members, along with data from the U.S. Department of Housing and Urban Development on properties that have applied for condominium housing insurance. In its draft report, the NCSG found that these data sources have significant limitations, and that the analysis therefore cannot offer, “a complete picture of the financial health of COCs in the County”.<sup>8</sup> The final report scheduled for September 2019. For a full description of the scope of work, see Appendix.

CountyStat’s Community Distress Index (in progress). CountyStat has developed a Community Distress Index to identify COCs that are experiencing financial difficulties. This index will combine variables from several data sources including State Department of Assessments and Taxation (property tax records); DHCA (rental license and MPDU records); the Maryland Foreclosure Registration System; and the Maryland Department of Human Services data (Supplemental Nutrition Assistance (SNAP) benefits data).<sup>9</sup> CountyStat has collected most of the data for the Index and is currently reconciling the various data points.

**B. Common Ownership Communities and Units in Montgomery County**

For the data available, the following table shows the number of COCs in the County for the cities with the highest total. Silver Spring has the most by a significant number.

**Table 2.1. Top 5 Cities with the Highest Total Number of Common Ownership Communities (January 2019)**

City	All COCs		HOA		Condominium		Other/Unknown	
	COCs	Units	COCs	Units	COCs	Units	COCs	Units
<b>TOTAL</b>	<b>1,080</b>	<b>139,239</b>	<b>477</b>	<b>46,661</b>	<b>343</b>	<b>39,904</b>	<b>260</b>	<b>52,674</b>
Silver Spring	253	27,533	100	7,697	83	9,480	70	10,356
Germantown	127	23,650	48	8,468	51	6,164	28	9,018
Rockville	138	18,732	55	4,213	47	7,622	36	6,897
Gaithersburg	92	12,725	62	5,890	9	1,927	21	4,908
Bethesda	79	8,328	25	1,223	40	5,239	14	1,866

Sources: OLO and DHCA Data

<sup>8</sup> “Identification of Distressed Common Ownership Communities, Montgomery County, Maryland, Draft Technical Memorandum: Data and Mapping”, National Center for Smart Growth at the University of Maryland, August 2018.

<sup>9</sup> CountyStat staff



**Table 2.2. Montgomery County ZIP Codes with the Highest Total Number of Common Ownership Communities**  
(based on DHCA data downloaded January 2019)

**Top 10 Values for Each Category Highlighted**

ZIP Code	Place	All COCs		HOA		Condominium		Unknown		Poverty*	Population*	COC Units Per 100 People*
		COCs	Units	COCs	Units	COCs	Units	COCs	Units			
<b>Total</b>		<b>1,080</b>	<b>139,239</b>	<b>477</b>	<b>46,661</b>	<b>343</b>	<b>39,904</b>	<b>260</b>	<b>52,674</b>	<b>7.0%</b>	<b>1,030,386</b>	<b>14</b>
20874	Germentown	94	18,506	32	5,692	42	4,826	20	7,988	7.9%	60,746	30
20906	Silver Spring	83	13,378	26	2,075	24	3,667	33	7,636	11.3%	69,447	19
20879	Gaithersburg	49	8,823	30	4,015	7	1,683	12	3,125	9.1%	26,466	33
20852	Rockville	58	8,525	22	1,569	27	6,008	9	948	7.6%	45,629	19
20850	Rockville	55	8,125	17	1,083	21	2,205	17	4,837	7.1%	49,240	17
20832	Olny	41	7,886	19	3,580	10	910	12	3,396	3.5%	26,790	29
20886	Montgomery Village	16	7,840	0	0	7	1,037	9	6,803	10.8%	34,322	23
20854	Potomac	71	6,330	48	3,146	5	202	18	2,982	2.4%	49,060	13
20878	Gaithersburg	50	6,288	37	4,347	4	309	9	1,632	4.4%	64,782	10
20871	Clarksburg	38	5,621	11	2,774	21	1,070	6	1,777	5.7%	20,377	28
20904	Silver Spring	53	5,357	26	2,746	16	1,815	11	796	8.5%	57,073	9
20876	Germentown	35	5,219	17	2,808	9	1,338	9	1,073	5.9%	27,323	19
20814	Bethesda	27	3,769	6	241	16	2,288	5	1,240	4.1%	28,086	13
20866	Burtonsville	25	3,658	14	1,826	4	156	7	1,676	4.6%	15,394	24
20815	Chevy Chase	26	3,519	1	62	21	3,257	4	200	3.7%	30,322	12
20910	Silver Spring	45	2,980	11	515	24	1,889	10	576	8.6%	42,042	7
20817	Bethesda	34	2,907	17	819	10	1,501	7	587	2.7%	36,997	8

Source: OLO analysis of DHCA data and 2013-2017 American Community Survey Estimates

\*Demographic data are based on the U.S. Census Bureau's ZIP Code Tabulation Areas (ZTCA), which may have slightly different boundaries than the ZIP codes used by USPS.

### **Chapter III. Summary of Concerns Among COC Stakeholders**

While conducting this study, OLO spoke with a variety of stakeholders, including County staff, community/property managers, attorneys for COCs, and members of the Commission on Common Ownership Communities. This section summarizes general themes OLO heard from stakeholders. Background information regarding some of these concerns is addressed in the following chapters.

#### **General Observations**

- **The Move to the DHCA Has Benefited Common Ownership Communities.** Most stakeholders believe that moving the Office of Common Ownership Communities from the Office of Consumer Protection to the Department of Housing and Communities Affairs has been good. However, views are mixed on the effectiveness of the Commission on Common Ownership Communities – some stakeholders believe that the Commission has become more efficient and constructive since the move to DHCA, especially with the increased focus on education. Other stakeholders state that the Commission is slow, inefficient, and not helpful for COCs.
- **COC Residents and Board Members Need More Training.** Almost all stakeholders OLO spoke with believe that the County needs to provide education to COC residents and volunteer board members. Many residents do not completely understand all aspects of living in a COC including the associated fees, authority of the board, and available resources. This is particularly the case for residents of condominium buildings.
- **COCs Need More Authority to Collect Dues.** Several stakeholders stated that there was an overall lack of respect for COCs from the County. They believed that the County expects COCs to provide services similar to the County (road maintenance, landscaping, etc.) but does not give the COC enough power or authority to enforce rules or collect fees in a timely manner. Stakeholders believed that they had little recourse when residents do not abide by the regulations and/or do not pay required fees.

#### **Current County Laws/Policies**

- **The Distinction Between Commercial and Residential Buildings in County Law Impacts COCs Negatively.** Many stakeholders believe that COCs, and condominiums in particular, are improperly categorized as “commercial” for permitting purposes and for other services and programs, resulting in higher fees and lack of access to rebate programs. Many stakeholders believe that the distinction between commercial and residential buildings should be changed. They believe that when the County establishes laws and regulations, the impact on COCs is not considered and that there should be a middle ground between residential and commercial. Stakeholders believe that because condominiums are residences, they should be subject to the same rules and regulations as other residential buildings in the County.
- **Current County Towing Law Impacts COC Parking Enforcement.** Property managers have concerns about County towing laws put in place a few years ago. The law, intended to decrease predatory towing practices, significantly impacts a COC’s ability to enforce parking. The law requires posting proper and sufficient signage notifying the public of parking restrictions and the express authorization of the towing of unauthorized vehicles by the property manager. More significantly, the association is liable for up to three times the charges assessed for any improper tow.

- **Limited Access to Programs.** Stakeholders are concerned that homes in COCs have limited access to various programs and rebates for homes, specifically for those in condominiums which are master-metered. Some programs and rebates available through the State, County or public utilities are reliant on individual meters readings. If a home is in a master-meter community, it is not eligible for those programs. Stakeholders believe that there should be alternative programs and rebates available to customers living in a master-meter community.

### **Financial Health of COCs**

- **Additional Financial Assessment Required.** Many stakeholders believe that COCs should be required to complete some form of financial audit or reserve study to ensure that there are financial plans in place for scheduled and unscheduled community infrastructure needs. Stakeholders understand that this would be an added burden to community associations but feel like it would be beneficial in the long term and would not have to necessarily be completed every year.
- **More Help is Needed for COCs in Distress or in Danger of Distress.<sup>10</sup>** Some stakeholders believe the County needs to provide COCs the tools and resources to address financial issues and offer programs that can assist communities if unanticipated issues occur. Stakeholders particularly have concerns about affordable housing in the County – the County requires an adequate supply of affordable housing however; stakeholders believe that those homes have higher rates of delinquency. The County needs to account for this when making policy decisions about affordable housing.

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<sup>10</sup> According the Economic Innovation Group, a distressed community is a measure of a given geography's economic well-being relative to its peers. <https://eig.org/dci>



## Chapter IV. Select County Departments and Common Ownership Communities

The next two chapters responds to the Council's request to detail ways in which County Departments interact with COCs and to compare County policies towards homes in a COC to those not within a COC. OLO interviewed stakeholders from several County departments, the Washington Suburban Sanitation Commission, and local utility companies. Overall, OLO found that the services provided to homes in COCs may be different based on factors such as location in the County and building structure (e.g., single-family home, condo), but the differences are not because the homes are in COCs. Each chapter provides a high-level summary of policies related to COCs, differences in fee structure, and availability of programs followed by a more detailed overview.

- ***Three County Departments interact the most with COCs, with Housing & Community Affairs being responsible for executing Chapter 10B of the County Code.***

**Housing & Community Affairs.** Within DHCA, the Office of Common Ownership Communities (OCOC) is responsible for supporting and educating COCs, including dispute resolution. The OCOC currently has three full time equivalents – two investigators and one office service coordinator. Staff in the OCOC also supports the Commission on Common Ownership Communities (CCOC). Established by Chapter 10B of the County Code, the Commission is responsible for providing training on the rights and obligations of living in a COC, managing informal and formal dispute resolution process, and ensuring proper establishment and operation of COCs in the County. DHCA staff assist the Commission by providing educational materials about activities and programs which assist COCs; maintaining a master roster of COCs; providing referrals for all County services related to COCs and technical assistance; and operating a dispute resolution process.

The Licensing and Registration Division of DHCA is for the annual registration of COCs, collection of fees, and maintenance of a database of COCs, which is available to the public online.

**Environmental Protection.** The mission of Montgomery County's Department of Environmental Protection (DEP) is to "enhance the quality of life in our community by protecting and improving Montgomery County's air, water and land in a sustainable way while fostering smart growth, a thriving economy and healthy communities." The Department interacts with COCs in three primary ways - Solid Waste Services; Water Quality Protection Charges; and Stormwater Management Facility Inspection and Maintenance. Overall, the Department's programs and fees are based on location, size and type of structure (see discussion on fees below), not on whether a home is part of a COC.

**Permitting Services.** The Department of Permitting Services (DPS) is responsible for ensuring compliance with Montgomery County's development and construction standards, including enforcing Chapters 8 and 22 of the Montgomery County Code, which are the building and fire safety codes of Montgomery County. There are three primary sections of DPS that work with residents – Division of Residential Construction, Commercial Building Construction, and Fire Prevention and Code Compliance. Overall, OLO found that the Department of Permitting Services does not provide different services or have a different fee structure based on whether the home is within a COC, but solely based on what type of building it is defined as, commercial or residential (see discussion on fees below).

- **Fee structures for County services are based on building type and/or location, not whether a home is within a common ownership community. Additionally, the classification of condominiums as commercial buildings impacts the permitting and inspection process.**

OLO reviewed fee structures for services operated by the Departments of Environmental Protection and Permitting Services. The following defines services fees assessed and a brief definition on how each fee is calculated.

**Department of Environmental Protection**

<b>Service Provided</b>		<b>Fees Determined by:</b>
<b>Solid Waste Services</b>	Refuse and Recycling Collection	<ul style="list-style-type: none"> <li>• <i>Property Type</i> – single family homes (incl. townhomes) or multi-family dwellings (7 or more dwelling units)</li> <li>• <i>Location</i> - recycling services provided for all single-family homes in the County; refuse collection provided for Southern Montgomery County</li> </ul>
<b>Water Quality Protection Charge</b>	Fund restoration projects that reverse and prevent the impact of stormwater runoff	<ul style="list-style-type: none"> <li>• <i>Property Type</i> – single family homes (detached homes and townhomes) or multi-family (one or more dwelling units that share a common entrance)</li> <li>• Rebate program based on property type</li> </ul>
<b>Stormwater Facility Maintenance</b>	Inspection and maintenance of all public and private stormwater management facilities in the County	<ul style="list-style-type: none"> <li>• <i>Type and Location of Facility</i> – includes COC common areas, private lots, commercial facilities, or County government property</li> <li>• COCs may transfer maintenance responsibility to the County’s Program</li> </ul>

**Department of Permitting Services**

<b>Service Provided</b>		<b>Fees Determined by:</b>
<b>Permit Fees</b>	DPS issues construction permits, performs inspections, and investigates complaints for both residential and commercial buildings in the County	<ul style="list-style-type: none"> <li>• <i>Property Type</i> – residential (detached one-and two-family dwellings and townhomes not more than three stores) or commercial (every other building type, including condominiums)</li> <li>• Commercial buildings require more inspections than residential buildings, given that additions, alterations, or repairs completed can significantly impact the structure</li> </ul>

The remainder of this chapter is organized as follows:

**County Departments**

A. Housing & Community Affairs.....	15
B. Environmental Protection.....	16
C. Permitting Services .....	21

## **A. Department of Housing and Community Affairs**

DHCA is the County department most directly responsible for interacting with COCs, and does so in three ways, described below.

### **1. Licensing and Registration Division**

DHCA's Licensing and Registration Division is responsible for the annual registration of COCs and collection of fees. This Division maintains a database of COCs, which is available to the public online.

### **2. Office of Common Ownership Communities**

The OCOC is responsible for supporting and educating COCs, including dispute resolution. The Office is currently staffed by three full time equivalents – two investigators and one office service coordinator – and has the following goals:

- Improve the quality of life in the community;
- Strengthen the self-governing community structure; and
- Enhance the value of residential property in community associations.

DHCA provides extensive online resources for homeowners and associations on COCs, including summary of relevant laws and regulations, dispute resolution, assessments and collections.<sup>11</sup> In addition, DHCA provides extensive information for homeowners and association boards on owning homes within COCs, including pamphlets, videos, and frequently asked questions on “what you should know about buying a home in a condo, co-op, or HOA.” The OCOC also requests that COCs fill out an annual survey to provide information on community information, financial and management structures, and board positions.

### **3. Commission on Common Ownership Communities**

Chapter 10B of the County Code established the Commission on Common Ownership Communities (CCOC) to create an equitable balance between the powers of common ownership governing bodies and owners/residents. All COCs are required to inform residents of the CCOC and its role annually. Specific charges of the CCOC include:

- Ensure proper establishment and operation of homeowners' associations, condominium associations, and cooperative housing corporations;
- Provide education on the rights and obligations of living in a COC;
- Encourage informal dispute resolution, but provide for a formal process when needed; and
- Help to prevent potential public financial liability for repair or replacement of COC facilities.

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<sup>11</sup> [https://www.montgomerycountymd.gov/DHCA/housing/commonownership/ccoc\\_index.html](https://www.montgomerycountymd.gov/DHCA/housing/commonownership/ccoc_index.html)

DHCA staff in the OCOC also provide support for the Commission on Common Ownership Communities, including:

- Providing educational materials about activities and programs which assist COCs;
- Maintain a master roster of homeowners' associations, condominiums, and cooperatives, their leadership, and their professional management companies if applicable;
- Provide information and referrals for all County services related to COCs;
- Provide technical assistance to COC governing bodies on operations and management; and
- Operate a dispute resolution process for mediation and administrative hearings.

**Dispute Resolution.** DHCA staff report that there are two types of dispute cases – (1) Type A cases include disagreements over architectural issues and (2) Type B cases are more complex cases concerning governing, budget, elections, and training in community associations. Staff report that the most prevalent types of complaints concern nuisance complaints, parking, and water disputes within condominium buildings. DHCA estimates that about 60% of disputes were resolved in mediation prior to the Commission hearing and report that there were 103 cases that went to the Commission for a hearing in FY18.

**Training and Education.** Together, the CCOC and DHCA have also created numerous resources for residents and community associations:

- *The Common Ownership Community Manual and Resource Guide* provides extensive information on governing standards, financial procedures, operations, and dispute resolution;
- *The Staff's Guide to the Procedures and Decisions of the Montgomery County Commission on Common Ownership Communities* summarizes Commission procedures, the dispute resolution process, and regulations affecting COCs; and
- *The Communicator Newsletter* is a quarterly newsletter that addresses a variety of topics pertinent to COCs.

DHCA staff and CCOC representatives both report that since January 2018, there has been a major emphasis placed on COC education and training and both would like to continue that focus going forward. They report that they have seen a reduction in complaints and cases moving through the system, which they attribute to this training. The CCOC currently holds some type of training weekly on Reading Financial Statements, Budgeting, Reserves, etc. as well as Director Training every 1<sup>st</sup> Monday of the month.

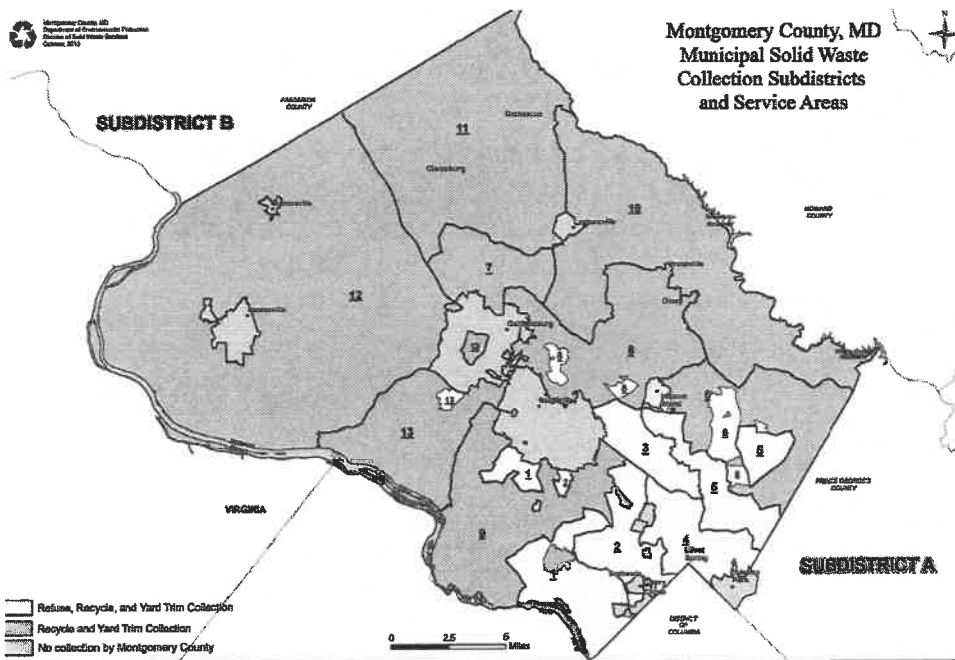
## **B. Department of Environmental Protection**

The Department of Environmental Protection (DEP) interacts with COCs in three primary ways – (1) Solid Waste Services; (2) Water Quality Protection Charges; and (3) Stormwater Management Facility Inspection and Maintenance. Overall, the Department does not provide different services to homes in a COC compared with those not in such a community; instead its programs and fees are based on location, size and type of structure. The Department does, however, offer to take over control and upkeep of stormwater management facilities within COCs.

## 1. Solid Waste Charges

The Division of Solid Waste Services (DSWS) within DEP provides County residents with a sustainable and environmentally sound system of waste reduction, reuse, recycling, and education. The County provides both refuse and recycling collection for parts of the County. Of note, the County does not provide trash or recycling collection for any multi-family homes or to households located in municipalities (e.g., City of Rockville).

**Exhibit 5.1. Map of County Solid Waste Service Areas**



- **Subdistrict A.** The County provides refuse collection for all single-family households, regardless of HOA status. Municipalities are not included.
- **Subdistrict B.** Refuse collection for single family households completed by a private hauler, HOA or homeowner.
- Curbside recycling services provided by the County for all single-family households outside municipal areas in both Areas A and B.

Source: DEP

Solid Waste Services does not categorize homes based on location and type and does not distinguish by COC status. Services to homes located in both Subdistricts A and B Collection Areas are based on property type - single family homes versus multi-family homes. The term “condominium” refers to the nature of ownership of real property and has no bearing on the determination of Solid Waste Charges.

- **Single-Family Properties.** Single-family properties are households or dwellings with six or fewer dwellings, including townhomes regardless of the number in a contiguous group.
- **Multi-Family Properties.** Multi-family properties are dwellings in a building with seven or more dwelling units.

**Solid Waste Fund and Rates.** Solid waste services in the County are funded by the Solid Waste Fund, which is managed as an enterprise fund to account for all financial activities of the solid waste system. According to Chapter 48, Section 43 of the County Code, the “the solid waste fund must be maintained and managed so that revenues equal expenses...” The primary sources of revenue for the County is the Systems Benefit Charge (SBC), which is a fee for services that is collected on the tax bill of residences and businesses. Annually, the Division studies and changes the rates and fees based on projected cost of providing various solid waste services. The rate model is based on several factors: population, employment, households, tonnages, expenses and revenues.

The five sources of revenue for the Division are detailed in Table 5.1, with rates charged to single- and multi-family homes.

**Table 5.1. Solid Waste Fund Revenue Sources**

Revenue Source	Single Family Homes	Multi-family Homes
<b>Disposal Fees</b>	\$51.48/year paid via the tax bill	\$0 (fee may be passed on to property owner by trash collector)
<b>Base Systems Benefit Charge</b>	\$25.78/year paid via the tax bill	\$1.33/dwelling unit per year paid via the tax bill
<b>Incremental Systems Benefit Charge</b>	\$127.85/year paid via the tax bill	\$14.73/dwelling unit paid via the tax bill
<b>Trash Collection Charge</b>	\$77.00/year for homes that receive County trash collection (Area A)	Not Applicable
<b>Leaf Vacuuming Charge</b>	\$102.93 /year for homes in the Leaf Vacuuming Service Area	\$4.08/dwelling unit for multi-family properties in the Leaf Vacuuming Service Area

**a. Disposal Fees**

Disposal Fees are collected as a tipping fee (\$60/ton) at the Shady Grove Transfer Station. The rate is based on the tonnage of solid waste delivered for disposal by waste collectors.

**Single-Family Homes.** Single family homes outside of municipalities pay this Disposal Fee annually through their property tax bill. However, homeowners pay a reduced amount of \$51.48 based on the estimated waste disposed by County single-family households (estimated to be approximately 0.85800 tons per home during FY 2019). Single family homes that do not receive County trash collection services are also charged the disposal fee on their property tax bill. Thus, private trash haulers cannot pass the charge onto the resident.

**Multi-family Homes.** Multi-family homes are not charged the disposal fee; however, if the property's private trash collector uses the County's Shady Grove Processing Facility and Transfer Station, the fee may be passed on to the property owner.

**b. Base Systems Benefit Charge**

The Base Systems Benefit Charge is assessed to all property owners in the County to support the cost of the baseline programs and facilities for the solid waste program in the County. The charge covers overall program administration, waste reduction, debt service, and waste disposal facilities. DSWS bases the fee on the estimated average amount of waste for single family homes versus multi-family homes. For the current year, the base systems benefit charge for **single family homes is \$25.78** and the charge for a **multi-family home is \$1.33 per dwelling unit**.

**c. Incremental Systems Benefit Charge**

Incremental Systems Benefit Charges are charges assessed to homes that receive select services.

**Single-Family Homes.** For single family homes that receive County recycling services, this charge covers the (1) curbside blue bin program, (2) yard waste collection program, (3) operation of the commingled recycling facility, mixed paper processing, drop-off programs (all net of material sales revenue), (4) a rate stabilization, (5) household hazardous waste programs, (6) development of recycling programs, and (7) single-family recycling education and outreach. The current charge is \$127.85.

**Multi-Family Homes.** For multi-family homes that do not receive recycling services, the charge covers the County's cost of assisting in the development of recycling systems for multi-family properties including education, outreach and enforcement. The current charge is \$14.73 per dwelling unit.

**d. Refuse Collection Charge**

Refuse collection charges are assessed to households in the Collection District (Area A) that receive County refuse collection. **Single-family homes** are assessed \$77.00 per year on their property tax bill, which is calculated by dividing the County's cost to provide the refuse collection service by the number of households projected to be receiving the service at mid-year. For **multi-family homes**, there are zero refuse collection charges because the County does not currently provide refuse collection services to any multi-family properties in buildings of seven or more dwelling units.

**e. Leaf Vacuuming Charge**

Leaf Vacuuming Charges are assessed to owners of residences in the Leaf Vacuuming Collection District to cover the cost of leaf vacuuming services provided by the County (most of Down County).

**Single-Family Homes.** The fee for single-family homes is calculated by dividing the cost of the leaf vacuuming program by the number of households that receive the service. DSWS assumes that single-family homes account for 97.24% of all leaf vacuuming services in the County. The current fee is \$102.93 and paid as part of the property tax bill.

**Multi-Family Homes.** The County assumes that multi-family homes account for the remaining 2.76% of leaves vacuumed, resulting in a fee of \$4.08 per dwelling unit. This fee is only assessed to owners of multi-family properties in the leaf vacuuming service area.

**2. Water Quality Protection Charge**

The Water Quality Protection Charge (WQPC) is intended to improve the water quality of our streams and reduce the impacts of stormwater runoff. The WQPC funds restoration projects that reverse and prevent the impact of stormwater. Most property owners in Montgomery County pay the WQPC, including businesses, HOAs and non-profit organizations as part of their annual property tax bill. The WQPC is not determined based on whether or not a property is within a COC.

The WQPC is based on the amount of impervious surface (surface that does not allow rain to be absorbed into the ground) a property has. Impervious surface includes:

- Building area;
- Patio area;
- Attached or detached garage building area;
- Walkways;
- Driveway surface area;
- Basketball/tennis courts surface area;
- Private parking lots; and
- Other paved areas with concrete or asphalt.

Impervious surface does not include pools, wooden decks, front porches, public sidewalks, agricultural business buildings, and agricultural driveways. Using imagery of the geographic information systems (GIS) available from Montgomery County and the Maryland-National Capital Park and Planning Commission, the County determines the amount of impervious surface for each property.

**a. WQPC Rate Calculation**

The County calculates the median amount of impervious surface on a typical property in Montgomery County. This median is called the equivalent residential unit (ERU). The current ERU is 2,406 square feet. The Council then sets how much each ERU will cost (the rate), which is currently \$104.25. Specific property rates are then calculated based on how much more or less impervious surface the property has compared to the ERU. Inputs in the calculation include the ERU rate, the amount of impervious surface and the type of property.

**Single-Family Home.** Single-family properties (includes detached homes and townhomes) are placed into a tier based on how much impervious surface is on the property.

**Table 5.2. Water Quality Protection Charge for Single-Family Homes (2019)**

Tier	Sq. Ft. of Impervious Surface	Charge Amount per Tax Year
1	(<=1,000)	\$34.40
2	(>1,000 and <=1,410)	\$52.13
3	(>1,410 and <=3,412)	\$104.25
4	(>3,412 and <=3,810)	\$156.38
5	(>3,810 and <=5,815)	\$208.50
6	(>5,815 and <=6,215)	\$260.63

Source: DEP

**Multi-Family Home.** For the purposes of the WQPC, a multi-family property is defined as where one or more dwelling units share a common outside entrance with other dwelling units that are arranged above, below, or next to one another in the same building. The formula below is the charge for multi-family homes, with the total charge being divided equally by the number of owners. DEP staff report that the WQPC for multi-family property owners is typically less than those in single-family homes.

$$\text{Water Quality Protection Charge} = \left( \frac{\text{Sq. Ft. of Impervious Area}}{\text{ERU}} \right) \times \text{Rate}$$

**b. WQPC Credits**

Both single-family and multi-family property owners (outside of Rockville, Takoma Park, and Gaithersburg) can receive credits against the WQPC for participating in the WQPC Credit Program or the Rainscapes Program. Property owners can install stormwater management practices, such as rain gardens, rain barrels, conservation



landscaping and other approved projects that help control stormwater. The maximum rebate (per property) is \$7,500 for residential property and \$20,000 for commercial HOAs, multi-family, or institutional property.

### 3. Stormwater Facility Maintenance

The Department’s Stormwater Facility Maintenance Program inspects and ensures maintenance of all public and private stormwater management facilities within Montgomery County (excluding Rockville, Gaithersburg and Takoma Park). The County inspects approximately 12,000 facilities at least every three years.

A COC is responsible for the structural maintenance of a facility. However, the County allows the COC to transfer this responsibility to the County's Stormwater Facility Maintenance Program. The COC remains the owner of the facility and continues to be responsible for non-structural maintenance around the facility (such as trash removal, grass cutting, and landscaping). DEP staff report that most COCs have transferred structural maintenance responsibility to the County. The following table details facility maintenance responsibilities by type and location of the stormwater facility.

**Table 5.3. Facility Maintenance Responsibilities**

Type and Location of Facility	Party Responsible for Structural Maintenance	Party Responsible for Non-Structural Maintenance
Non-Environmental Site Design Stormwater Facility on Residential COC Common Areas	Property owner, unless maintenance responsibility transferred to the County	Property owner
Environmental Site Design <sup>12</sup> Stormwater Facility on Private Lots or on Residential COC Common Areas	Property owner	Property owner
Any Stormwater Facility on Nonresidential Property (e.g., Commercial Facilities)	Property owner	Property owner
Any Stormwater Facility on County Government Property	County	County or shared responsibility with property owner (e.g., MCPS, MNCPPC)

### C. Department of Permitting Services

The Department of Permitting Services (DPS) is responsible for ensuring compliance with Montgomery County’s development and construction standards, including enforcing building and fire safety codes found in Chapters 8, 17 and 22. The Department is also responsible for ensuring compliance for accessibility standards and enforcement of the Zoning Law (Chapters 49 and 51). Overall, OLO found that the Department of Permitting Services does not provide different services or have a different fee structure based on whether the home is within a COC, but solely based on what type of building it is defined as, commercial or residential. Of note, OLO did not review DPS’ process related to the development of new COC communities.

<sup>12</sup> Environmental Site Design is an assortment of techniques, structures and practices that work together to minimize stormwater runoff. It is also frequently referred to as stormwater management practices.

## 1. Overview of Montgomery County Building Codes

All local jurisdictions must adopt codes for the construction and renovation of commercial and residential buildings, which includes building, fire safety and environmental codes. Montgomery County Government must adopt the building codes adopted by the State of the Maryland, but also can add to any codes adopted by the State (A full list of codes adopted by the County is located in Appendix).

**Commercial Building Code.** Adopted by most jurisdictions across the country, including Montgomery County, the International Building Code (IBC) is a model building code aimed at protecting the health and safety of the public.<sup>13</sup> Adopted along with the IBC, Montgomery County also follows the International Plumbing Code, the International Mechanical Code, the National Electric Code, and various National Fire Protection Association standards. The IBC is a lengthy manual including direction on:

- Building occupancy classifications;
- Building heights and areas;
- Interior finishes;
- Foundation, wall, and roof construction;
- Fire protection systems;
- Materials used in construction;
- Elevators and escalators;
- Already existing structures; and
- Means of egress.

The IBC applies to the “construction, alteration, relocation, enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal, and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures.” The IBC includes all apartment and condominium buildings. However, the IBC does not apply to:

- Detached one- and two-family dwellings and townhouses (must be less than three stories above grade with a separate egress, along with accessory structures);
- Live/work units (covered by IBC Section 419); and
- Small bed and breakfast style lodging houses with five or fewer guestrooms with the owner living in the lodging house.

**Residential Building Code.** Properties excluded from the IBC must comply with the International Residential Code. This building code regulates the construction of single-family homes, two family houses (duplexes), and buildings consisting of three or more townhome units. All buildings that fall under the Residential Building Code are limited to three stories above grade in height.

Application of these codes to single-family and multi-family homes impacts the division of DPS that works with customer and permit fees.

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<sup>13</sup> A building in the IBC is defined as “any structure used or intended for supporting or sheltering any use or occupancy, including any mechanical systems, system water heating systems and electric power and lighting systems located in the building site and supporting the building.”

## 2. Services Provided by DPS Related to Common Ownership Communities

There are three primary sections of DPS that work with residents on applying for and receiving permits – the Division of Residential Construction and Intake, Division of Commercial Building Construction and Division of Fire Prevention and Code Compliance.

**Division of Residential Construction and Intake (Responsible for Single-Family Homes).** The Residential Construction and Intake Division is responsible for the administration and enforcement of residential building, structural, electrical, mechanical, and energy conservation codes. The Division issues permits, performs inspections, and conducts investigations and damage assessments. More specifically, the Division:

- Completes intake and processing of permit applications for residential buildings;
- Collects permit fees;
- Calculates impact development fees; and
- Completes construction plan review and inspection for single-family homes and townhomes with three stories or less.

There is slight overlap in duties with the Division of Commercial Building Construction – the Division of Residential Construction and Intake completes the intake and processing of all permit applications for residential *and* commercial buildings.

In the past few years, DPS has moved many of its residential permitting services online, including:

- Apply and Make Payment;
- ePlans Upload;
- Inspection Requests;
- Check Permit Status;
- Data Search;
- Design Consultation;
- Request Records;
- Property Complaint; and
- Residential Permits for a Variety of Structures.

**Division of Commercial Building Construction (Responsible for Multi-Family Homes).** The Division of Commercial Building Construction is responsible for processing and issuing commercial building, mechanical and electrical permits, along with investigating complaints. The Division is responsible for building over three stories (a complex structure) and/or has more than one to two families living in it. This Division is also responsible for the issuance of all commercial *and* residential electrical and mechanical permits and plan reviews.

The Division completes a plan review and inspections for all commercial buildings. The Division has six inspectors that complete all regular inspections (building, electrical, and mechanical). However, if the building is complex (over three stories), inspections are completed by third-party structural engineers.

Within the Division, the Case Management Program provides customers with assistance for complex commercial projects, new and/or major renovations of places of worship and county-wide strategic economic development projects within Montgomery County at no additional cost to the applicant.

**Division of Fire Prevention and Code Compliance.** The Division of Fire Prevention and Code Compliance (FPCC) manages, inspects, and licenses all fire and life safety aspects of new construction along with ensuring and inspection fire code compliance of all existing commercial buildings. This includes aspects such as sprinklers, fire alarms and smoke control systems. For existing buildings, the Division has four inspection checklist options:

adoption/foster care buildings; education buildings; family childcare, and a universal inspection for all other commercial buildings.<sup>14</sup>

The Division of Fire Protection and Code Compliance utilizes the same distinction as other divisions within DPS – residential buildings are single family homes detached or attached (townhomes), with three or less stories. The Division does not have the right of entry for residential buildings and therefore does not conduct inspections for those buildings. All other buildings are commercial. There is a further distinction among commercial buildings for FPCC - multi-family buildings such as condominium buildings are required to have only one fire protection control panel (FPCP)<sup>15</sup>, compared with business buildings, which require a FPCP for all units within the building.

### 3. Summary of Select Fees

Permit fees are based on whether a property falls under the International Building Code (commercial properties, including multi-family homes) or Residential Code (single-family homes or townhomes). Fee structures are dictated in law<sup>16</sup>, with permit fees updated annually by the Council and County Executive:

- Method 2 fee regulations (approved by Council Resolution) include residential and commercial buildings, electrical and mechanical, fire protection, fire systems permits, licenses and fees related to zoning applications.
- Method 3 fee regulations (approved by the County Executive) include right-of- way (roadway), sediment control, stormwater management, well and septic permits.

Commercial buildings, including condominiums, require more inspections compared to residential buildings, given that additions, alterations, or repairs completed in the building can have a significant impact on a building’s structure. The following table summarizes select fees for residential versus commercial buildings. For a full list of fee rates, see Appendix.

**Table 5.4. List of Select Permit Fees for Residential and Commercial Buildings**

Permit	Residential (Single-Family Homes)	Commercial Buildings (including Multi-Family Homes)
<b>Application Filing Fee for Addition, Alteration, or Repair</b>	50% of permit fee or \$265, whichever is greater	50% of permit fee or \$670, whichever is greater
<b>Additions</b>	\$0.71 per SF	Cost of construction multiplied by 0.024
<b>Alterations or Repairs</b>	\$0.63 per SF	
<b>Mechanical Permit</b>	Minimum of \$65 + Equipment Fee	Minimum of \$105 + Equipment Fee
<b>Electrical Permit</b>	Minimum of \$90 + Equipment Fee	Minimum of \$150 + Equipment Fee

In 2015, DPS contracted Fiscal Choice Consulting to conduct a comprehensive fee study to review the fee structure and permit rates and provide recommendations. Key report findings included:

- DPS is funded through an enterprise fund and does not receive an appropriation from taxes;

<sup>14</sup> Available at <https://www.montgomerycountymd.gov/DPS/divisions/fire/index.html>

<sup>15</sup> The FPCP ensures automatic centralized control of the protection for a building and includes an alarm management system, signaling unit, and a manual control unit.

<sup>16</sup> County laws outlining fee structures include Executive Regulations 11-17; 18-18; 20-07AM;15-16; and 216; and County Council Resolution 18-317;

- Because it is an enterprise fund, DPS must recover all costs from the permits and license services it provides, including operating budget, overhead costs, capital expenses, information technology, and reserves;
- DPS is responsible for collecting fees for other County departments based on codes and regulations for plan approval or permit issuance (e.g., tree canopy, roadside tree, or stormwater waiver fees); and
- DPS' cash balance should have a net asset balance of 20% of resources.

Both DPS staff and the fee study report that the number of inspections required for each permit is a key factor that determines fees for commercial buildings compared with residential buildings. It is not feasible to predict the scope of services for each permit, so fees were established to cover the average cost of services. It would be inefficient for DPS to have an unlimited number of fees. If there are multiple codes and inspections required for a structure, the DPS fee structure will be higher. DPS staff note that DPS permit fees include inspection fees, which is not common practice in other jurisdictions.

**Chapter V. Local Utilities and Common Ownership Communities**

This chapter provides a high-level summary of policies for local utility companies related to COCs, differences in fee structure, and availability of programs followed by a more detailed overview.

- **Generally, utility companies do not provide different services or offer different programs to homes located in a COC compared to those located outside a COC, but rather rates and program eligibility are based on meter type and size.**

OLO reviewed rates and rebates/assistance programs for the four major utility companies in Montgomery County for homes in COCs compared with homes not in COCs. OLO found that utility companies provide services or offer programs to homes based exclusively on what type of meter the home has for water, gas, and electricity. Table 5.1 summarizes defining characteristics area utility companies use to determine rates and programs. As shown, Washington Suburban Sanitary Commission (WSSC) examines both properties use and meter type to determine rates; and is the only utility reviewed to classify master-meter properties as residential, where applicable.

**Table 5.1. Basis for Utility Company Rates**

Utility	Rate Based on		Description
	Property Use	Meter Type	
Washington Suburban Sanitary Commission (WSSC)	✓	✓	Categorizes property as residential (contains at least one bathroom and one kitchen and used exclusively as a residence) or commercial (primary purpose is for-profit business) properties; for residential properties only, WSSC determines rate based on whether the property is individually metered (primarily single-family homes and townhomes) or master-meter (multi-unit buildings)
Baltimore Gas & Electric (BG&E)	--	✓	Defines rate for homes with independent meters (residential properties) or master-meter properties (commercial properties); there are not specific rates, rebates or programs for homeowners in master-meter COCs
Potomac Electric Power Company (PEPCO)	--	✓	Defines rate for individual meter or (residential) or master-meter building (commercial); does not categorize by building type (e.g., multi-family building)
Washington Gas	--	✓	Defines rate for individual meter (residential), individual meter or batter of meters (commercial), or group metered apartment service (multi-dwelling building)

Further, the way utility companies categorize properties for rates determines a homeowner or property owners' eligibility for rebates and assistance programs.

- **Washington Suburban Sanitary Commission** - Assistance programs are restricted to customers with individual meters; the property cannot be master-meter. Further, some assistance programs are income

eligible, requiring customers to receive certification from the Maryland Office of Home Energy Programs prior to participation.

- **Baltimore Gas & Electric** - Program eligibility is based on meter type, with multi-family residences having access to all rebate/efficiency programs available to master-meter buildings (commercial buildings).
- **Potomac Electric Power Company** - Master-meter multi-family buildings have access to all programs available to PEPCO commercial businesses (based on business size – small, medium or large), with homes with individual meters eligible for residential customer rebate and incentive programs.
- **Washington Gas** – Program offerings based on meter type are offered to both residential and business customers.

**EmPOWER Maryland.** In 2008, the Maryland General Assembly passed the EmPOWER Maryland Energy Efficiency Act,<sup>17</sup> which established a goal to reduce per capita electricity usage and peak demand. The Act requires that electricity companies establish energy efficiency and demand reduction goals. The Act also provides state funding to support various energy efficiency programs for homeowners, including lighting and appliance rebates for homeowners, Home Performance with ENERGY STAR (including home energy assessments and 50% rebates for energy improvements like insulation and air sealing), commercial lighting rebates, and energy efficiency services for industrial facilities.

EmPOWER programs are managed by the following companies: Baltimore Gas and Electric Company (BGE), Potomac Edison Company (PE), Delmarva Power & Light (Delmarva), Potomac Electric Power Company (PEPCO), Southern Maryland Electric Cooperative, Inc. (SMECO), and Washington Gas Light Company (WGL). The Maryland Department of Housing and Community Development administers the EmPOWER Maryland programs for low-income customers.

The remainder of this chapter provides an overview of the rates and rebates of the three major utility companies and the Washington Suburban Sanitation Commission in Montgomery County for homes in COC compared with homes not in COC.

**Local Utilities Departments**

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**A. Baltimore Gas & Electric (BGE)**

BGE is the largest natural gas and electric utility in Maryland, serving numerous areas in Montgomery County including specific zip codes in Sandy Spring, Clarksburg, Gaithersburg, and Silver Spring. BGE offers different rates and rebates depending on the type of account that a customer has. All BGE rebates and incentives fall under the Smart Energy Savers Program, which offer a variety of options to save energy, money and the environment. BGE also provides all EmPOWER Maryland programs.

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17 Md. Code Ann., Public Utilities § 7-211

Homes with independent meters are considered residential, paying residential rates and having access to residential programs, while master-meter buildings are considered commercial, paying commercial rates and having access to commercial/business programs. There are not specific rates, rebates or programs specifically for individual residents in a master-meter COC.

**Master-Meter Properties.** Based on permitting designation, BGE considers master-meter communities as commercial properties and those communities pay commercial rates for gas and electricity. Electricity rates are based on the size/usage of the building (less than or greater than 60 kwh/month). (See Appendix for current rate schedules).

Multi-family homes have access to rebate/efficiency programs available to commercial buildings. These programs are for all nonresidential customers in the BGE service territory regardless of electricity and/or gas supplier.

**Table 5.2. Select Rebate/Efficiency Programs Available for Master-Meter Properties**

<b>Energy Solutions for Business</b>	Provides financial incentives and technical assistance to maximize energy efficiency and reduce costs, includes appliances, HVAC, kitchen, lighting/controls, multifamily tenant equipment, plug load equipment, refrigeration, and custom projects
<b>Building Tune Up</b>	Monitoring and adjusting electrical, mechanical and control systems to optimize performance, includes financial incentives for improvements
<b>Combined Heat and Power (CHP)</b>	Incentives to commercial customers who install an onsite CHP system
<b>Peak Rewards Multifamily Program</b>	Bill credits for lower usage on peak days and installation of advanced thermostats

**Individually Metered Properties.** Any home with an individual meter (whether it is single family, townhome, condominium, etc.) is considered residential by BGE, paying residential rates and having access to residential rebates and incentive programs. BGE residential customers are on Schedule D, Residential Service for gas and can choose either fixed rate or time of use rate for electric (See Appendix). Residential customers also have access to an array of rebate and incentive programs.

**Table 5.3. Select Rebate/Efficiency Programs Available for Individually Metered Properties**

<b>Rebates</b>	Rebates and incentives for high efficiency products including appliances, cooling and heating systems, lighting, and pool pumps
<b>Quick Home Energy Check Up</b>	Energy efficiency professionals come to a home and identify ways to help efficiency and install energy saving products
<b>Home Performance with ENERGY STAR® Rebates/Home Energy Audit</b>	Comprehensive, whole-house approach to improving home's energy efficiency, includes home energy audit
<b>Smart Thermostats</b>	Rebates on select ENERGY STAR® certified smart thermostats
<b>Limited Income Energy Efficiency Program (State Program)</b>	Helps income qualified customers with installation of energy conservation materials in their homes
<b>PeakRewards Programs</b>	Provides programmable thermostat or outdoor switch and the Electric Water Heater Program
<b>Gas Conversion</b>	Incentives for customers interested in converting to natural gas



**B. PEPCO**

PEPCO is an electric utility company serving 900,000 customers in the District of Columbia and Maryland, including Montgomery County residents. Similar to BGE, PEPCO classifies customers by meter type - individual or master-meter.

**Master-Meter Properties.** There are numerous rate schedules for master-meter customers, generally based upon the consumption level. For multi-family buildings, PEPCO staff report that General Service GS is the most common rate schedule used (see Appendix). Master-meter, multi-family buildings have access to all efficiency and rebate programs available to all PEPCO business customers based on electricity use.

**Table 5.4. Select PEPCO Rebate/Efficiency Programs Available to Master-Meter Properties**

<b>Small Business</b>	
<b>(Must Be a Maryland Customer with an Average Monthly Demand of 60 kW or Less)</b>	
<i>Energy Savings for Business Program</i>	Pay for up to 70% of the total project cost to install new energy-efficient equipment
<i>Quick Energy Check-ups</i>	Visit to business, make recommendations to increase efficiency, and install energy-efficient devices
<i>Small Business Energy Advance</i>	Interest free, on-bill repayment option for an energy efficiency project
<i>Small Business Incentives</i>	Includes financial incentives for a variety of efficiency products such as LED lighting, HVAC, refrigerators, washers, etc.
<b>Medium to Large Business</b>	
<b>(Must be a Maryland business or nonprofit customer with a commercial electric account and have a monthly energy demand greater than 60 kW over the last 12 months)</b>	
<i>Cash Incentives</i>	Cash incentives for a variety of energy efficient products including HVAC, refrigerators, freezers, and commercial kitchen equipment, washers, dehumidifiers, etc.
<i>Building Tune-up Incentives</i>	Visit from experts to identify energy saving opportunities, including Monitoring-Based Commissioning, which helps determine energy usage and alerts to savings opportunities
<i>Combined Heat and Power (CHP)</i>	Assistance in combining heat and power, increasing efficiency

**Individual Metered Properties.** Any home with an individual meter (whether it is single family, townhome, condominium, etc.) is considered residential by PEPCO, paying residential rates and having access to residential rebate and incentive programs. PEPCO residential customers are on Schedule R, Residential Rate for electricity. Residential customers also have access to an array of rebate and incentive programs.

**Table 5.5. Select PEPCO Rebate/Incentive Programs Available to Individual Metered Properties**

<b>Energy Wise Rewards</b>	Reduces energy consumption by cycling central air conditioner or heat pump over short intervals during the hottest days of the season
<b>Smart Thermostat/Optimization</b>	Reviewing smart thermostat data to learn how a home reacts to weather conditions and adapt use
<b>Income Eligible Energy Efficiency Program</b>	Through Maryland's EmPOWER Program, helps low-income households with home repairs and upgrades that reduce energy use
<b>Home Performance with Energy Star</b>	Comprehensive Home Energy Assessment, recommend improvements and available rebates, and install energy-efficient devices
<b>Quick Home Energy Check-Up Program</b>	Home energy use assessment, including recommendations and installation of energy-saving products
<b>Rebates &amp; Discounts</b>	Variety of rebates on energy efficient products such as lighting, HVAC and appliances
<b>Peak Energy Savings Credit</b>	Credits off electric bill by reduction of energy use during designated hours on Peak Savings Days

### C. Washington Gas

Washington Gas provides natural gas service to more than 1.1 million customers in the District of Columbia, Maryland and Virginia. Similar to BGE and PEPCO, Washington Gas classifies residential and commercial customers based on the type of meter at the property (See Appendix for most recent Rate Schedules):

- **Residential Service** is for a single-family dwelling, or in an individual apartment, or to not over three families served by a single meter (one customer) in a multiple family dwelling;
- **Commercial and Industrial Service** (master-meter) is service to commercial and/or industrial customers, including schools, churches, embassies, rest homes, boarding houses, rooming houses, etc., supplied through one meter or a battery of meters; and
- **Group Metered Apartment (GMA) Service** (master-meter) is service to any multiple-dwelling building or project comprised of four or more dwelling units (apartments) supplied through one meter or a battery of meters. The GMA Service rate schedule is only applicable in Maryland and Virginia; all DC multi-family buildings are classified as commercial.

While not required by law to administer the EmPOWER Program<sup>18</sup>, Washington Gas does voluntarily participate in EmPOWER Maryland and offers its customers energy savings programs and equipment rebates:

- Residential customers (individually metered) can receive high-efficiency natural gas equipment rebates for home heating, home appliances, and water heating; an online home energy profile to understand a home's energy use; Low and Limited Income Energy Efficiency Program (LIHEAP) which are funded from EmPOWER dollars and administered by Maryland Department of Housing and Community Development; and alternative payment options/payment assistance through the Washington Area Fuel Fund (WAFF), Maryland Energy Assistance Program (MEAP), and Utility Service Protection Program (USPP).

<sup>18</sup> Electricity companies have legislatively required electricity savings and demand targets.

- Builders and developers of residential new construction, including individually metered apartments, are eligible for high-efficiency natural gas equipment rebates.
- Commercial customers and Group Metered Apartments can receive rebates on high-efficiency natural gas equipment for boiler systems, water and space heating and food service. Rebates under the EmPOWER Maryland program are not available to customers converting from another fuel source.

**D. Washington Suburban Sanitation Commission**

The Washington Suburban Sanitation Commission (WSSC) is responsible for providing clean and reliable water to Prince Georges’ and Montgomery County. Like most water/sewer utilities, WSSC is a separate, government enterprise fund established to be self-supporting. Most of WSSC’s revenue is from user charges including fees, rates, assessments and billings that are charged to customers. WSSC’s rate structure includes both variable and fixed rates and includes the cost of operations and maintenance.

**Table 5.6. Definition of WSSC Fees and Rates**

	<b>Water and Sewer Charges</b>	<b>Bay Restoration Fee</b>	<b>Ready to Serve Charge</b>	
<b>Fee</b>	Operating and maintaining water and sewer facilities	For improvements to wastewater treatment plants statewide	Account Maintenance Fee (AMF) - fixed fee for maintaining and servicing each account	Infrastructure Investment Fee (IIF) - fixed fee that funds debt service
<b>Rate</b>	Based on consumption	Calculated based on the number of days in the billing period; commercial fees are calculated based on “equivalent dwelling units”	Varies according to meter size	Varies according to meter size

**1. Single-Family Buildings versus Multi-Family Building Rates**

WSSC classifies by property use and type of meter installed. WSSC first determines whether a property use is residential or commercial. A residential unit contains at least one bathroom and one kitchen and is used exclusively as a place of residence pursuant to a deed or lease agreement while a commercial unit “does not meet the definition of a residential unit” and whose primary purpose is a for-profit business. Once determined if residential use, WSSC looks at customers as either individually metered (primarily single-family homes and townhomes) or master-meter (multi-family buildings). It does not matter to WSSC whether a home is in a COC.

In order to be consistent with how WSSC bills a single-family or town house property with a multi-family master-metered property, WSSC establishes the average daily consumption for each resident by dividing the building’s total water use by number of calendar days in the billing period, by the total number of occupied residential units served by the property’s meter. Further, in recognition of mixed-use properties (commercial units share a water meter with the residential units), WSSC amended charges:

- If the property contains no high-flow commercial units, then the average daily consumption used to bill a mixed-use multi-unit property shall be determined by dividing its total water use by number of calendar days in the billing period, by the total number of occupied residential units served by the property’s meter.
- If the property contains one or more high-flow units, then the property shall not be eligible for the unit count billing unless and until the high-flow unit or units are separately metered.

2. **WSSC Assistance Programs**

WSSC provides numerous assistance programs for residential customers with individual meters (single-family homes and townhomes). Some programs have income eligibility requirements and require customers to be certified by the Maryland Office of Home Energy Programs. The available programs are summarized below. In addition, in 2019 the State enacted Maryland General Assembly Bill MC/PG 105-19, which authorizes WSSC to establish an Indirect Customer Assistance Program to provide financial assistance to eligible indirect customers for service, particularly those in master-meter communities who do not have their own meters.

**Table 5.7. WSSC Assistance Programs for Residential Customers**

<b>Income Eligible Programs – Available to Qualifying WSSC Customers</b>	
<i>The Water Fund</i>	Bill assistance for residential customers
<i>Customer Assistance Program</i>	Financial assistance to residential customers through a credit on water and sewer bills to cover fixed fees (Ready-to-Serve charge)
<i>Bay Restoration Fund (BRF) Exemption</i>	Waiving of the state-mandated Bay Restoration Fee (BRF)
<i>Emergency Pipe Repair Assistance</i>	Financial aid for service emergency for those who do not have a service plan or the necessary funds to cover emergency home repairs
<b>Bill and Payment Assistance Programs – Available to all WSSC Customers</b>	
<i>Bill Adjustments and Credits</i>	High bill adjustments every 3 years under certain criteria
<i>Payment Plans</i>	Flexible payment options
<b>Available to All Customers</b>	
<i>Optional Pipe Protection Plan</i>	Affordable protection from the cost and inconvenience of household plumbing repairs

## Chapter VI. Findings and Recommendations

A common ownership community (COC) is an organization consisting of property owners within a residential development that share common property. COCs are governed by an association board of residents who adopt and enforce rules and regulations, assess dues for maintenance of common property and operations, and hold property owners accountable for rule violations. COCs often provide services and amenities that might otherwise be provided by government (i.e. roads, community centers, and playgrounds). There are three kinds of COCs – condominium associations, homeowner’s associations (HOA) and cooperatives. It is estimated that approximately 40% of Montgomery County residents currently reside in a COC. This chapter summarizes the findings and recommendations of this report.

### Findings

**Finding #1. While several sources of data on common ownership communities in the County exist, it is not currently possible to accurately and comprehensively catalog all COCs and their characteristics.**

Most COCs in Montgomery County<sup>19</sup> are required to register annually with Department of Housing and Community Affairs (DHCA), pay registration fees, and provide information on its elected leadership, managing agents, and community characteristics. While this publicly available list provides the most comprehensive list of COCs in the County, there are limitations with the data:

- Data provided to DHCA by COCs may be incomplete or inaccurate;
- There is no data on communities that are not in compliance with registration requirements;
- Some properties may belong to more than one community and therefore “double counted;” and
- Data does not have more specific geographic information than zip codes, making it difficult to link to other data sources.

Other available datasets include DHCA’s 2015 survey of COCs, property tax records, the Washington Suburban Sanitary Commission’s dataset of master-meter communities, and the Montgomery County Planning Department’s Homeowner and Civic Association dataset. However, each of these datasets has limitations – either they do not include all COCs and/or do not clearly identify which properties fall within a COC. The limited data show:

- There are currently 1,039 COCs registered with the County, including over 133,000 homes and over 340,000 residents.
- Silver Spring has the most COC units and the most condominium units in the County, but Germantown has the most HOA units.
- Some ZIP codes with the highest rates of poverty in the County also contain large numbers of COCs, including 20906 (Silver Spring) and 20886 (Montgomery Village).

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<sup>19</sup> Communities within the limits of the City of Gaithersburg, the Town of Garrett Park, the Town of Laytonsville, the Town of Poolesville, the Town of Somerset and the Town of Washington Grove are not subject to the registration requirement

**Finding #2. The Department of Housing and Community Affairs is the primary department that interacts with common ownership communities. The Department has recently focused on increasing education for residents and property managers in COCs.**

The Office of Common Ownership Communities (OCOC) within DHCA is responsible for supporting and educating COCs throughout the County. Some of the OCOC duties include:

- Maintaining a master roster of COCs including information on community information, financial and management structures, and board positions;
- Providing education and referrals for all County services related to COCs;
- Providing technical assistance to COC governing bodies on operations and management;
- Providing staff support for the Commission on Common Ownership Communities (CCOC); and
- Operating a dispute resolution process for mediation and administrative hearings.

DHCA staff and CCOC representatives report that since January 2018, the County has emphasized education and training. County staff agree that both residents and property managers need more education on what it means to live in a COC and available government services and programs.

**Finding #3. Eligibility for County services and rates/rebates are based on a property's use (commercial or residential) and geographic location; not on whether a property is located in a common ownership community.**

OLO found that the services provided by select County departments or agencies to homes may differ based on factors such as location in the County and building structure (e.g., single-family home, condo), but the differences are not because the homes are in COCs.

**Department of Environmental Protection (DEP).** DEP interacts with properties in COCs in three primary ways - Solid Waste Services; Water Quality Protection Charges; and Stormwater Management Facility Inspection and Maintenance. Overall, the Department's programs and fees are based on location, size and type of property (Up County vs. Down County; single-family home vs. condominium or apartment). The Department does, however, offer to take over control and upkeep of stormwater management facilities within COCs.

**Department of Permitting Services (DPS).** DPS' services and fees are based solely on whether a building is classified as commercial or residential by State and County building codes. Both DPS staff and a fee study conducted by a third-party report that permit fees are based on the number of services or inspections required for each type of permit. Typically, commercial buildings (including condominiums) require more inspections compared with residential buildings, given that additions, alterations, or repairs completed in a commercial building can significantly impact the building's structure.

**Washington Suburban Sanitation Commission (WSSC).** WSSC distinguishes customers by residential or commercial and the type of meter at the property. WSSC identifies customers as residential if they are individually metered (primarily single-family homes and townhomes) or commercial for master-meter properties (primarily multi-family buildings). Historically, WSSC provided assistance programs for residential customers (individual meters). However, in the most recent Maryland General Assembly Session, House Bill 0325 was passed, which will provide financial assistance to eligible customers, particularly those in master-meter communities beginning in July 2019.

**Finding #4. Local utility companies categorize homes based on meter type (individual or master-meter); not by location in a common ownership community. Rates and rebates available to customers are based on this categorization.**

The local utility companies offer services and programs to customers based exclusively on what type of meter the home has for gas and electricity.

Baltimore Gas & Electric (BG&E)	BGE classifies any home with individual meters as residential, paying residential rates and having access to residential BGE rebate and incentive programs; while master-meter buildings are considered commercial, paying commercial rates and having access to commercial/business programs.
Potomac Electric Power Company (PEPCO)	PEPCO classifies any home with an individual meter as residential, paying residential rates and having access to residential PEPCO rebate and incentive programs. Homes within master-meter communities pay commercial rates and have access to commercial efficiency and rebate programs based on electricity usage.
Washington Gas	<p>Washington Gas has three categories of customers, based on the type of meter:</p> <ul style="list-style-type: none"> <li>• <i>Residential Service</i> is for homes with individual meters, including single-family homes, individual apartments, or to not over three families served by a single meter (one customer) in a multiple-family dwelling;</li> <li>• <i>Commercial and Industrial Service</i> is for commercial and/or industrial customers, supplied through one meter or a battery of meters; and</li> <li>• <i>Group Metered Apartment Service</i> is service to any multiple-family building or project comprised of four or more apartments supplied through one meter or a battery of meters.</li> </ul> <p>Washington Gas does not offer its own rebates or incentives programs, but extends to its customers (commercial and residential) available EmPOWER Maryland programs and rebates.</p>

**Finding #5. The financial stability and sustainability of common ownership communities is a concern among stakeholders. The County has begun to take steps to analyze the issue.**

In 2018, the County established the Task Force on Distressed Common Ownership Communities, with staff support from DHCA and CountyStat. The group was tasked with developing “a concrete action plan that will address the preservation of affordable housing in common ownership communities.” Since its inception, the group has undertaken efforts to analyze COC data, focusing on communities in financial distress:

- Contracted with the National Center for Smart Growth (NCSG) at the University of Maryland to review different sources of data on COCs, identify indicators of financial distress, conduct an analysis of the data, and assess the level of distress in COCs; and
- CountyStat and DHCA have developed a Community Distress Index to identify COCs that are experiencing financial difficulties.

Due to the Task Force's scope of work, OLO did not analyze the financial aspects of COCs in the County. However, almost every stakeholder that OLO spoke with articulated significant concerns about the financial sustainability of COCs in the County, particularly older, condominium communities. Further, stakeholders had concerns about the County's affordable housing policies and their impact on COCs. Stakeholders believe that those homes in distressed communities often have a higher rate of delinquent COC fees, magnifying of financial instability. Many believed that the County needs to do more to support these communities. Some suggestions reported include:

- Providing more education to property managers and residents on the financial aspects of home ownership in one of these communities;
- Requiring COCs to complete some form of financial audit or reserve study to ensure that there are financial plans in place for scheduled and unscheduled community infrastructure needs; or
- Providing low-interest loans to communities in distress to meet any maintenance or infrastructure needs.

**Finding #6. Condominium buildings, which are classified as "commercial" buildings in State and County Code, are assessed higher permitting fees and receive additional inspections compared with single-family homes. Many stakeholders expressed that the distinction between commercial and residential property needs to be reviewed.**

Many stakeholders believe that condominium buildings should be designated as residential buildings instead of commercial properties. Montgomery County, along with most other jurisdictions, has adopted the International Building Code (IBC) and the International Residential Code (IRC). These codes define residential as "detached one- and two-family dwellings and multiple single-family dwellings (townhouses) not more than three stories above grade place in height with a separate means of egress." Therefore, most multi-family condominium properties are designated as commercial property.

County staff report that commercial and residential rates for permits, services, etc. in the County are based on the amount of work required to administer services and enforce compliance. For example, the IBC can require the review and inspection for numerous building codes (fire, plumbing, etc.) that are not required for residential properties under the IRC. Some stakeholders believe that there is a "middle ground" and that because these are "residences" even if they are designated commercial properties that there should be alternative programs and rebates available to customers living in these communities.

Because of this designation, some stakeholders feel that there is limited access to County programs and rebates, or condominiums must pay commercial rates for County services. This is further compounded with master-meter communities in which property owners are not eligible for energy or utility rebates because they do not have an individually metered bill.



### Recommendations

**Recommendation 1. Discuss with DHCA’s Office of Common Ownership Communities and other stakeholders methods to increase education for home buyers in common ownership communities, particularly those purchasing in condominium associations.**

Living in a common ownership community can provide many conveniences and amenities for homeowners; however, membership also binds homeowners to the association’s fees, rules and regulations. Living in condominium buildings (especially with a master-meter) can impose further restrictions and additional fees. During the home sale process, sellers are required by Maryland state law<sup>20</sup> to provide buyers with a copy of the COC rules and regulations, with buyers afforded a five-day period to review the documents. Stakeholders report that many buyers do not thoroughly review these documents.

DHCA’s Office of Common Ownership Communities (OCOC) is currently increasing its educational efforts for homeowners and association boards. However, almost all stakeholders stated that potential homebuyers need more education on purchasing a home in a COC. The Council should discuss with the OCOC and community stakeholders what additional educational efforts are feasible.

**Recommendation 2. Request updates from the DHCA Task Force on Distressed Communities and discuss any recommendations.**

In February 2018, Councilmember Leventhal requested that DHCA undertake a study to address the condition of distressed COCs in the County. The County Executive formed the Task Force on Distressed Communities, which was tasked with developing an action plan to address the preservation of affordable housing in COCs. Due to this Task Force’s scope of work, OLO did not review the financial state of COCs. However, at almost all meetings OLO conducted, distressed communities were discussed, including suggestions for County assistance (i.e., County-sponsored low interest loan programs for infrastructure needs or requiring COCs to perform regular financial audits/reserve studies).

As part of the Task Force, the County contracted with the National Center for Smart Growth at the University of Maryland to complete a report that will present an analysis of condominium communities and an indication of the extent of the problem in Montgomery County. Preliminary findings from the report suggest that “communities with master-metered utilities are more likely to experience budget shortfalls and that COCs with stable board membership are more financially stable.” The final report is scheduled for release on September 15, 2019.

OLO acknowledges that the financial stability of these communities is an important area for the Council to continue to monitor. Therefore, OLO recommends that the Council request an update on the current status of the Task Force and have a worksession on any final report that is produced by the Task Force.

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<sup>20</sup> Title 11B of the Real Property Article of the Maryland Annotated Code and Title 11 of the Real Property Article and Section 11-135

**Recommendation 3. Request that DHCA examine the feasibility of adding more precise geographic data to the COC dataset.**

DHCA's COC registration dataset is publicly available, is updated in real time, and is the most comprehensive source of data on COCs in Montgomery County. Unfortunately, the dataset does not contain sufficient information to map communities to more specific geographic locations than ZIP codes. Many COCs do not have a central address or precise boundaries. As a result, the data cannot be accurately linked to other data sources, such as property tax records, that could provide additional information on their characteristics.

OLO Report 2013-7: Best Practices in Open Data Initiatives found that publicly available datasets are most useful when the data are "geo-coded" to facilitate data mapping. Past and current efforts to analyze data on COCs in Montgomery County and identify distressed communities have found that DHCA's registration dataset is of limited use without more precise geographic data. The Council may wish to request that DHCA study how it might add geographic data to the COC registration dataset to facilitate future studies on COCs in the County.

**Chapter VI. Agency Comments**

The Office of Legislative Oversight circulated a draft of this report to the County Government. Written comments from the Chief Administrative Officer begin on the next page.



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
County Executive

Andrew W. Kleine  
Chief Administrative Officer

MEMORANDUM

June 19, 2019

TO: Chris Cihlar, Director,  
Office of Legislative Oversight

FROM: Andrew Kleine, Chief Administrative Officer *AWK*

SUBJECT: OLO Draft Report 2019-6  
Common Ownership Communities

Thank you for the opportunity to comment on the Office of Legislative Oversight's (OLO) Draft Report 2019-6: Common Ownership Communities. The report reviews the state of common ownership communities, including summarizing available data on the prevalence of COCs in the County, interaction with County government, rates charged, and rebates available to properties in COCs compared with those not.

This summary of the County's Common Ownership Communities provides elected officials and County agencies with an opportunity to review the complex nature of COCs and the County's relationship with COCs. We agree with the report's six major findings.

Below are our responses to the three recommendations outlined in the report.

**Recommendation #1:**

Discuss with DHCA's Office of Common Ownership Communities and other stakeholders methods to increase education for home buyers in common ownership communities, particularly those purchasing in condominium associations.

**CAO Response:**

We acknowledge and agree that education for home buyers in common ownership communities, particularly those purchasing in condominium associations, should be discussed to determine what additional educational efforts are feasible and what would provide the greatest positive impact.

Chris Cihlar, Director  
Office of Legislative Oversight  
June 19, 2019  
Page 2

**Recommendation #2:**

Request updates from the DHCA Task Force on Distressed Communities and discuss any recommendations.

**CAO Response:**

DHCA is collaborating with the Distressed Communities Task Force and the University of Maryland's National Center for Smart Growth Research and Education to study certain aspects of COCs. DHCA expects that additional information, including a report from the Smart Growth Center, will be available in October 2019. DHCA would be happy to discuss and share this information.

**Recommendation #3:**

Request that DHCA examine the feasibility of adding more precise geographic data to the COC dataset.

**CAO Response:**

We agree and will implement this recommendation contingent on the feasibility to collect and add more precise geographic data to the COC dataset.

Please contact Fariba Kassiri if you have any questions or need additional information. Thank you for the opportunity to review the draft report and present our comments.

AK:tjg

cc: Fariba Kassiri, Deputy Chief Administrative Officer  
Timothy Goetzinger, Acting Director, Department of Housing and Community Affairs  
Adam Ortiz, Director, Department of Environmental Protection  
Hadi Mansouri, Acting Director, Department of Permitting Services

# APPENDIX

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E	BGE Fee Schedules	©13
F	PEPCO Fee Schedules	©16
G	Washington Gas Fee Schedules	©18

## National Center for Smart Growth Scope of Work

Many older condominium-ownership multifamily buildings in Montgomery County have become mired in financial instability. The primary cause of this instability is due to missed or delinquent assessments, which are the monthly fees all condominium owners pay to the common ownership community, the organization that funds maintenance, repairs, and capital improvements for the condominium community. The financial crisis and recession at the end of the last decade also contributed to this problem by burdening condominium communities with units abandoned by both banks and owners. The financial health the condominium communities is dependent on the financial health of their members and when a condominium owner experiences a job loss or another type of financial stressor, condominium communities will begin to feel similar stress. As a result, condominium communities are forced to defer regular maintenance if members are unable or unwilling to pay their monthly assessments.

Very little is known about condominium communities in financial distress, as the subject has been largely overlooked in planning and public policy research. This study will identify the causes and the indicators of distress in Montgomery County condominium communities. Distressed condominium communities are those with insufficient revenue due to reduced assessments to cover routine maintenance, repairs, and capital improvements. This study will build on the preliminary reports that NCSG delivered to DHCA in Fall 2018, by focusing on preparing DHCA to advocate for legislative changes to assist distressed condominium communities and prevent future challenges. We will present results for four key questions:

- (1) *The extent of condominium communities in financial crisis in Montgomery County: how many communities are in distress and what is the extent (in financial or budgetary terms) of that distress?*
- (2) *The characteristics that these distressed communities have in common: Are they geographically clustered or are they dispersed across the county? Does community size relate to risk of distress? Is distress more apparent in communities in with certain socioeconomic characteristics?*
- (3) *The negative effects of this distress: How does this impact condo owners, their surrounding neighborhoods, and the county in general?*
- (4) *What policies can most effectively address these distressed communities and what further research is needed?*

In order to accurately define the extent of the problem, this study will attempt to answer these questions through a mixed methods approach. A quantitative phase will analyze data including tax, sales, foreclosure datasets, and the community distress index developed by Thomas Tippet in the CEX's office to identify the extent and possible geographic pattern of distressed COCs in Montgomery County.

This research will be followed with meetings with the Montgomery County Common Ownership Community Task Force, a body of Montgomery County officials and stakeholders convened to address the issue, to learn more about the governance and operation of condominium

communities. In addition, researchers will use the initial quantitative analysis to identify distressed condominium communities and will join the Task Force on a six to ten interviews with professional paid community managers and elected community directors. Additional interviews may include condominium residents and public officials regarding the financial health of condominium communities. While the initial data analysis only focuses on Montgomery County, interview subjects and public policy documents will be drawn from elsewhere in Maryland, as policy recommendations will likely apply to both state and local governments. Prince George's and Charles Counties also have commissions on common ownership communities and face similar challenges, so individuals working on this issue there will be targeted. This will be done in concert with a document analysis of both enacted and proposed state and local legislation that addresses issues related to finances.

The final draft of the report will present a quantitative analysis of condominium communities and an indication of the extent of the problem in Montgomery County. It will also synthesize interviews by listing the most common responses to questions about condominium communities and their financial situation as well as local policies or programs designed to help condominium communities. This study is expected to identify issues that planners and local government officials should consider when dealing with condominium communities in distress and develop policy recommendations at the federal, state, and local levels. These may include legislation, new regulations, or judicial processes that will help condominium communities address issues such as budget shortfalls and property owners who are delinquent on their assessments. A final draft of the report will be and disseminated to local stakeholders, planners, and policymakers.

A preliminary analysis gathered from initial interviews of condominium community board members suggest that communities with master-metered utilities are more likely to experience budget shortfalls and that COCs with stable board membership are more financially stable.

**Deliverables:**

Ongoing:	NCSG participation in COC Task Force Meetings
Draft report:	July 15 <sup>th</sup> , 2019
Final report:	September 15 <sup>th</sup> , 2019
Dissemination:	NCSG will issue a press release and post report on NCSG website NCSG will disseminate on social media NCSG will distribute to key policymakers and elected officials



Common Ownership Communities by ZIP Code (based on DHCA data downloaded January 2019)

ZIP Code	Place	All COCs		HOA		Condominium		Unknown		Poverty*	Population*	COC Units Per 100 Population*
		COCs	Units	COCs	Units	COCs	Units	COCs	Units			
<b>Total</b>		<b>1,080</b>	<b>139,239</b>	<b>477</b>	<b>46,661</b>	<b>343</b>	<b>39,904</b>	<b>260</b>	<b>52,674</b>	<b>7.0%</b>	<b>1,030,386</b>	<b>14</b>
20874	Germantown	94	18,506	32	5,692	42	4,826	20	7,988	7.9%	60,746	30
20906	Silver Spring	83	13,378	26	2,075	24	3,667	33	7,636	11.3%	69,447	19
20879	Gaithersburg	49	8,823	30	4,015	7	1,683	12	3,125	9.1%	26,466	33
20852	Rockville	58	8,525	22	1,569	27	6,008	9	948	7.6%	45,629	19
20850	Rockville	55	8,125	17	1,083	21	2,205	17	4,837	7.1%	49,240	17
20832	Oliney	41	7,886	19	3,580	10	910	12	3,396	3.5%	26,790	29
20886	Montgomery Village	16	7,840	0	0	7	1,037	9	6,803	10.8%	34,322	23
20854	Potomac	71	6,330	48	3,146	5	202	18	2,982	2.4%	49,060	13
20878	Gaithersburg	50	6,288	37	4,347	4	309	9	1,632	4.4%	64,782	10
20871	Clarksburg	38	5,621	11	2,774	21	1,070	6	1,777	5.7%	20,377	28
20904	Silver Spring	53	5,357	26	2,746	16	1,815	11	796	8.5%	57,073	9
20876	Germantown	35	5,219	17	2,808	9	1,338	9	1,073	5.9%	27,323	19
20814	Bethesda	27	3,769	6	241	16	2,288	5	1,240	4.1%	28,086	13
20866	Burtonsville	25	3,658	14	1,826	4	156	7	1,676	4.6%	15,394	24
20815	Chevy Chase	26	3,519	1	62	21	3,257	4	200	3.7%	30,322	12
20910	Silver Spring	45	2,980	11	515	24	1,889	10	576	8.6%	42,042	7
20817	Bethesda	34	2,907	17	819	10	1,501	7	587	2.7%	36,997	8
20902	Silver Spring	33	2,435	17	950	10	1,303	6	182	9.9%	52,347	5
20855	Derwood	22	2,172	13	1,219	2	235	7	718	4.1%	14,404	15
20901	Silver Spring	23	1,908	7	294	9	789	7	825	6.8%	36,666	5
20905	Silver Spring	19	1,692	15	1,287	0		4	405	5.8%	18,571	9
20872	Damascus	23	1,684	11	910	7	369	5	405	5.0%	13,230	13
20841	Boyd's	12	1,672	8	969	3	112	1	591	3.9%	10,177	16
20877	Gaithersburg	19	1,409	15	1,099	0		4	310	14.0%	38,479	4
20853	Rockville	15	1,407	2	199	5	527	8	681	4.9%	30,558	5
20882	Gaithersburg	22	1,347	18	572	1	25	3	750	2.5%	13,311	10

ZIP Code	Place	All COCs		HOA		Condominium		Unknown		Poverty*	Population*	COC Units Per 100 Population*
		COCs	Units	COCs	Units	COCs	Units	COCs	Units			
20816	Bethesda	14	1,234	2	114	10	1,081	2	39	1.9%	16,196	8
20833	Brookville	11	885	8	785	0	0	3	100	1.1%	7,470	12
20895	Kensington	17	748	10	289	4	393	3	66	3.4%	19,386	4
20912	Takoma Park	18	591	0	0	17	559	1	32	11.6%	25,683	2
20861	Ashton	8	463	6	379	0	0	2	84	0.5%	1,852	25
20818	Cabin John	4	205	1	45	1	29	2	131	3.9%	2,006	10
20860	Sandy Spring	6	167	2	60	1	39	3	68	2.8%	2,630	6
20903	Silver Spring	3	160	0	0	3	160	0	0	13.7%	25,901	1
20851	Rockville	4	114	3	81	1	33	0	0	10.2%	15,156	1
20705	Calverton	1	89	0	0	1	89	0	0	10.4%	27,676	0
20707	Laurel	2	49	1	34	0	0	1	15	7.5%	32,638	0
20868	Spencerville	2	40	2	40	0	0	0	0	0.0%	701	6
20783	Adelphi	1	20	1	20	0	0	0	0	15.4%	46,699	0
20837	Poolesville	1	17	1	17	0	0	0	0	3.5%	6,300	0

Source: OLO analysis of DHCA data and 2013-2017 American Community Survey Estimates

**DPS****Montgomery County  
Department of Permitting Services**255 Rockville Pike, 2<sup>nd</sup> Floor  
Rockville, MD 20850-4166  
Phone: 311 in Montgomery County or (240)777-0311  
www.montgomerycountymd.gov/dps**Master List of Building Codes and Standards**

The Executive Regulations (also known as Local Amendments) are available in Adobe PDF format. To view or print a copy of the Executive Regulations please click on the appropriate ER number in the table below. For administrative interpretations, policies, pending codes and other related information please click on the appropriate division on our website. Should you have additional questions please feel free to contact us via our Staff Directory or by calling 240.777.0311.

CODE	CODE/EDITION	EXECUTIVE REGULATIONS	EFFECTIVE DATE
Accessibility	COMAR 05.02.02, ADAAG & FHAG	State Adoption	03-25-2019
Commercial Building	ICC International Building Code/2015	ER 4-15 AMII	08-03-2015
	MBRC Maryland Building Rehabilitation Code	State Adoption	03-25-2019
	IgCC 2012 Green Building Code	ER 21-15 AMII	12-27-2017
Commercial Fuel Gas	ICC International Fuel Gas Code/2015	ER 4-15 AMII	08-03-2015
Commercial Mechanical	ICC International Mechanical Code/2015	ER 4-15 AMII	08-03-2015
Electrical	NFPA 70 National Electrical Code/2014	ER 6-16 AM	07-19-2016
Energy Conservation	ICC International Energy Conservation Code/2015	ER 4-15 AMII	08-03-2015
Fire Alarm	NFPA72/2013	ER 7-16	08-1-2016
	COMAR NFPA72/2013	State Fire Prevention Code	01-01-2016
Life-Safety	NFPA1 & 101/2015	ER 8-16	08-1-2016





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	COMAR <u>NFPA101/2015</u>	State Fire Prevention Code	01-01-2016
Plumbing & Gas	WSSC Plumbing Code	NA	07-10-2015
Residential Building & Mechanical	ICC International Residential Code/2015	ER 4-15 AMII	08-03-2015
	MBRC Maryland Building Rehabilitation Code	State Adoption	03-25-2019
Residential Sprinklers	NFPA13D/2013	ER 7-16	08-01-2016
	COMAR <u>NFPA13D/2013</u>	State Fire Prevention Code	01-01-2016
Commercial Sprinklers	NFPA13R/2013 <u>NFPA13/2013</u>	ER 7-16	01-08-2016
	COMAR <u>NFPA13R/2013</u> COMAR <u>NFPA13/2013</u>	State Fire Prevention Code	01-01-2016

**Links:**

**Accessibility:** <http://mdrules.elaws.us/comar/05.02.02.01>

**IgCC:** <http://shop.iccsafe.org/2012-international-green-construction-codetm-igcctm-1.html>

**NFPA link color must be blue**



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**BUILDING CONSTRUCTION/FIRE/ZONING****FY19 Permit Fees**

**These fees are adjusted 3% upwards according to the Council approved FY19 Budget. Please use this schedule for fee estimation only. The final fee will be calculated by DPS when the permit is issued or the service is provided.**

<b>Residential Construction – One- and Two-Family Dwellings and Related Accessory Structures</b>	
Filing Fee - New	50% of permit fee or \$721 whichever is greater
Filing Fee – Add, Alter, Repair	50% of permit fee or \$272.95 whichever is greater
<b>One- and Two-Family Detached</b>	
0-5000 SF of construction	\$0.7313 per SF
5001-above	\$0.7313 per SF for first 5000 SF + \$0.309 per SF of area exceeding 5000 SF
<b>One- and Two-Family Attached</b>	
	\$1,442
<b>One- and Two-Family Attached (MPDU)</b>	
	\$1,030
<b>Additions</b>	
	\$0.7313 per SF
<b>Alterations or repairs</b>	
	\$0.6489 per SF
<b>Private in-ground swimming pool (including fence)</b>	
	\$298.70
<b>Private above-ground swimming pool (including fence)</b>	
	\$221.45
<b>Decks (opened unenclosed) 500 SF or less in area</b>	
	\$185.40
<b>Decks (opened unenclosed) more than 500 SF in area</b>	
	\$0.7313 per SF
<b>Retaining Walls</b>	
	\$185.40
<b>Accessory Building 200 SF or less</b>	
	\$113.3
<b>Accessory Building 201&gt;</b>	
	\$0.7313 per SF
<b>Solar Panels</b>	
	\$216.30
<b>Rooftop Solar Panels</b>	
	\$216.30
<b>Rooftop Solar Panels – Refer-backs</b>	
	\$108.15
<b>Demolition Permit</b>	
	\$149.35
<b>Fence Permit</b>	
	\$74.16
<b>Residential Plan Revisions</b>	
	\$0.7313 per SF (new/add)/\$0.6489 per SF (alter/repair) of revised area or filing fee whichever is greater

<b>Commercial Buildings and Structures</b>	
Filing Fee – new, add, alter, repair	50% of permit fee or \$690.10 whichever is greater
<b>New Construction and Additions</b>	
0-500,000 SF of construction area	\$1.2257 per SF
500,001> SF of construction area and above	\$1.2257 per SF for first 500,000SF + \$0.618 per SF of area exceeding 500,000SF

<b>Commercial Buildings and Structures (Cont.)</b>	
Commercial dwelling unit (IBC) MPDU	\$1.1742 per SF
Repairs, Alter, Accessory Structures	Cost of construction x 0.02472
Commercial Plan Revisions	\$690.10 or \$1.2257 per SF (\$1.1742 per SF for MPDU) whichever is greater
Residential U&O Certificate	\$96.82
Commercial U&O Certificate	
0-5000 SF	\$365.65
5001 – 10,000 SF	\$535.60
10,001 – 20,000 SF	\$818.85
20,001 – and up	\$1,277.20 + \$.02472 per SF of area exceeding 20,000 SF
Capacity Certificate	\$118.45 per assembly room; \$5.15 for each duplicate certificate
Ownership Units	\$1,442.00 per unit created
Code modifications or interpretations	\$525.30

<b>Fire Code</b>	
Filing Fee – Fire Alarm, Fire Protection	\$159.65
Fire-alarm and –detection systems (devices, main control panels, or household devices and control panels)	\$31.93 per device
CO2 or Clean Agent systems	\$782.80 per system
Sprinkler systems	\$7.21 per sprinkler head
Fire pump	\$618 per pump
Added hose valves on existing standpipe	\$365.65 per hose
Dry or Wet Chemical Extinguishing systems	\$478.95 per system
Standpipe systems	\$540.75 per riser
Fire Alarm Plan Revision	\$31.93 per device
Sprinkler Systems Plan Revision	\$7.21 per device
Other Plan Revision (CO2, Clean Agent, Fire pumps, etc.)	\$159.65 min. - \$31.93 per device

<b>Vendors</b>	
Non-Certified Agricultural Producers and their operators	\$72.10 operator permit fee
Certified Agricultural Producers and their operators	
In County	\$129.78
Out of County	\$175.10
Site-Specific Vendor	\$324.45
Door-to-Door Vendor	\$144.20
Regular Route Vendor	\$216.30
Temporary Sales License	\$180.25
Performance Bond for Future Delivery Vendor	\$1,344.15
Benefit Performances	\$180.25
Storage of Vendor Confiscated Goods	\$144.20
<b>Zoning Permits/Certificates</b>	
Equestrian Event	\$468.65
Home Occupation	\$432.60
Nonconforming Use Certificate	\$396.55
Parking Waiver Request	\$1,117.55
Conditional Use Enforcement	\$252.35
<b>Zoning Compliance Letters</b>	
Residential	360.50
Commercial	468.65
<b>Sign Permits</b>	
Permanent	\$309.00
Sign Concept	\$1,333.85
Sign Variance	\$612.85



# DPS

## Montgomery County Department of Permitting Services

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### DIVISION OF LAND DEVELOPMENT

### FY19 Permit Fees

**These fees are adjusted 3% upwards according to the Council approved FY19 Budget. Please use this schedule for fee estimation only. The final fee will be calculated by DPS when the permit is issued or the service is provided.**

<b>Work in the Public Right of Way</b>	
Driveway Permits	Filing Fee: \$154.50, Permit Fee: 15.0895% of Estimated Project Cost
Utility Permits	
- Under Roadway Work	Permit Fee: \$0.7982/LF, Minimum \$798.25
- Above Roadway Work (minimal trenching)	Permit Fee: \$0.4377/LF, Minimum \$437.75
- Aerial Work	Permit Fee: \$0.4377/LF, Minimum \$437.75
- House Connection	Permit Fee: \$437.75 per Connection
Special Use & Roadway Occupancy - dumpster, crane, storage container, etc.	Permit Fee: \$221.45
Stump & Hazardous Tree Removal	Permit Fee: \$0
Engineered Permits	Filing Fee: 50% of Total Permit Fee, \$1967.30 Minimum. Permit Fee: 15.0895% of the Estimated Project Cost
Traffic Management Plan	Fee: \$2678
Minor Record Plat	Fee: \$515
Revisions	
- Engineered Plans	Fee: 15.0895% of the Estimated Revision Cost, \$1967.30 Minimum
- All Other	Fee: \$154.50
Extensions	
- Engineered Plans	Fee: 15.45% of the Permit Fee
- All Other	Fee: \$154.50

<b>Stormwater Management (SWM) and Special Protection Areas (SPA)</b>	
SWM Concept or SPA Water Quality Inventory	Fee: \$2847.95
Site Development SWM Plan Review	Fee: \$1426.55
SWM Concept/Site Development Stormwater Plan Combo	Fee: \$2847.95
SPA Water Quality Plans	
- Preliminary or Combo (Preliminary and Final)	Fee: \$839.45/Acre, \$2847.95 Minimum, \$16789 Maximum
- Final	Fee: \$1426.55
All Concept or SPA Revisions	Fee: \$1426.55
Stream Monitoring	Fee: \$885.80/Acre

<b>Sediment Control and Floodplain</b>	
Engineered	Filing Fee: 50% of Total Permit Fee. Permit Fee: \$.08858/sq. ft. of Disturbed Area, \$1967.30 Minimum. Revision Fee: \$.08858/sq. ft. of additional disturbed area plus \$1967.30. Extension Fee: 15.45% of the total permit fee in effect when extension request is submitted, or \$216.30 if As-Built Plan is Approved.
Engineered for Single Family Lots	Fee: \$1967.30, Extension Fee: \$154.50
Small Land Disturbance Activity	Fee: \$839.45, Extension Fee: \$154.50
Forest Harvest Activity	Fee: \$839.45, Extension Fee: \$154.50
SWM As-Built Plan	Fee: \$1967.30
Floodplain District Permit	Fee: \$927, Extension Fee: \$139.05
Floodplain Study	Fee: \$1174.20

<b>Individual Water Supply &amp; Sewage Disposal Systems</b>	
Conventional Percolation Test	Fee: \$803.40 per lot, per visit
Mound System Percolation Test	Fee: \$1081.50 per lot, per visit
Water Table Level Check	Fee: \$453.20 per visit
Individual Sewage Disposal Permit	Fee: \$1236
Plans Review for Subdivision and Platted Lots and Revisions	Fee: \$525.30 per lot
Minor Plan Review & Environmental Health Survey	Fee: \$386.25
Partial Environmental Health Survey	Fee: \$242.05
Review Repair of Existing Sewage Disposal System	Fee: \$386.25
Septage Hauler Permit Inspection (with truck inspection)	Fee: \$386.25
Septage Hauler Permit Inspection (reciprocal truck inspection)	Fee: \$242.05
Well Permit	Fee: \$160
Permit Extensions	Fee: \$175.10

<b>Miscellaneous Fees</b>	
Administrative Permit Application Revisions	Fee: \$73.13
Bond Replacement Fee	Fee: \$144.20
Bond Reduction Fee	Fee: \$288.40
Expedited Plan Review Fee	Fee: 25% of Total Permit Fee



# QUICK GUIDE DPS ZONING FEES FY19\*

These fees are adjusted 3% upwards according to the Council approved FY19 Budget. Please use this schedule for fee estimation only. The final fee will be calculated by DPS when the permit is issued or the service is provided.

## 1. DOOR TO DOOR VENDORS' LICENSE:

### 1 YEAR:

BASE FEE: \$144.20

OPERATOR FEE: \$ 72.10

TOTAL FEE: \$216.30

### 60 DAYS:

BASE FEE: \$180.25

OPERATOR FEE: \$ 72.10

TOTAL FEE: \$ 252.35

### DAILY RATE:

BASE FEE: \$180.25

OPERATOR FEE: \$ 72.10

TOTAL FEE: \$ 252.35

## 2. REGULAR ROUTE:

BASE FEE: \$ 252.35

OPERATOR FEE: \$ 72.10

TOTAL: \$324.45

60 DAY: SAME AS DOOR TO DOOR

1 DAY: SAME AS DOOR TO DOOR

## 3. SITE SPECIFIC:

BASE FEE: \$324.45

OPERATOR FEE: \$ 72.10

TOTAL: \$ 396.55

60 DAYS: SAME AS DOOR TO DOOR

1 DAY: SAME AS DOOR TO DOOR

**4. AGRICULTURAL CERTIFICATE:**

**IN COUNTY:**

**1 YEAR:**

BASE FEE: \$57.68  
OPERATOR FEE: \$72.10

TOTAL: \$ 129.78

**OUT OF COUNTY:**

BASE FEE: \$103.00  
OPERATOR FEE: \$ 72.10

TOTAL FEE: \$175.10

5. PERFORMANCE BOND FOR FUTURE DELIVER: \$1,344.15
6. BENEFIT PERFORMANCE: \$180.25
7. STORAGE FEE: \$ 144.20
8. EQUESTRIAL PERMIT: \$ 468.65
9. HOME OCCUPATION: \$432.60
10. NON-CONFIRMING USE CERTIFICATE: \$ 396.55
11. PARKING WAIVER: \$ 1,117.55
12. CONDITIONAL USE ENFORCEMENT: \$ 252.35
13. RESIDENTIAL ZONING COMPLIANCE LETTER: \$ 360.50
14. COMMERCIAL ZONING COMPLIANCE LETTER: \$ 468.65
15. SIGN PERMIT: PERMANENT: \$309.00
- LIMITED DURATION: \$144.20
16. SIGN CONCEPT: \$ 1,333.85
17. SIGN VARIANCE: \$ 612.85
18. ELECTRICAL FEE FOR ILLUMINATED SIGN:
- BASE FEE: \$154.50
- SIGN PERMIT FEE: \$ 92.70
- TOTAL: \$ 247.20 \$247.20

**RESIDENTIAL SERVICE – ELECTRIC**

**SCHEDULE R**

**Availability:**

- (a) For use for the domestic requirements of:
  - (1) A single private dwelling.
  - (2) An individually metered dwelling unit in a multiple dwelling building.
  - (3) One combination of two dwelling units within a building, if served through a single meter.
  - (4) A dwelling occupied as the dwelling place of a church divine or of religious associates engaged in church duties.
  - (5) A single dwelling within a building where the occupant has not more than 10 bedrooms to let or not more than 10 table boarders, or a combination of not more than ten.
- (b) For use, if on one property and served through a single meter, of a combination of the occupant's domestic requirements in a dwelling and his nondomestic requirements, provided that more than 50 percent of the connected load is for domestic purposes.
- (c) For use, if served through a separate meter, by appliances used in common by the occupants of not more than two dwelling units within a building.

**Delivery Voltage:** Service at Secondary Distribution Systems voltages.

**Monthly Net Rates:**

<b>Delivery Service Customer Charge:</b>	<b>\$ 7.90 per month,</b>
<b>Less: Competitive Billing (where applicable)</b> (see Section 7.7 for details)	<b>\$ 0.62 per month, plus,</b>

**Energy Charges:**

Generation and Transmission Market-Priced Service Charges can be found on [www.bge.com](http://www.bge.com) and Rider 1 – Standard Offer Service.

<b>Delivery Service Charge:</b>	<b>0.03147 \$/kWh</b>
<b>(Excludes Rider 10 - Administrative Cost Adjustment)</b>	

(Continued on Next Page)

**Schedule R continued**

**Minimum Charge:** Net Delivery Service Customer Charge.

**Billing Seasons:** Summer rates are billed for the four billing periods ending June through September.  
Non-Summer rates are billed for the eight billing periods ending October through May.

**Late Payment Charge:** Standard. (Sec. 7.4)

**Payment Terms:** Standard. (Sec. 7)

**Subject to Riders applicable as listed below:**

1. Standard Offer Service
2. Electric Efficiency Charge
3. Miscellaneous Taxes and Surcharges
4. Budget Billing
8. Energy Cost Adjustment
9. Customer Billing and Consumption Data Requests
10. Administrative Cost Adjustment
12. Prepaid Pilot
13. Change of Schedule
14. Qualified Rate Stabilization Charge
15. Demand Response Service
16. Nuclear Decommissioning and Standard Offer Service Return Credits
18. Net Energy Metering
20. Financing Credit
21. Billing in Event of Service Interruption
22. Minimum Charge for Short-Term Uses
23. Advanced Meter Services
25. Monthly Rate Adjustment
26. Peak Time Rebate
27. Smart Meter Opt-Out
28. Small Generator Interconnection Standards
30. Demand Resource Surcharge
31. Electric Reliability Investment Initiative Charge
32. Community Energy Pilot Program

**GENERAL SERVICE – ELECTRIC****SCHEDULE G**

**Availability:** For use for all purposes where the Customer does not qualify for any of the Company's other rate schedules.

**Delivery Voltage:** Service at Secondary Distribution Systems voltages. It is also available for customers receiving Primary service under this Schedule on or before January 1, 1987 or for a new customer who locates to an existing facility served at Primary Systems voltages where the customer does not qualify for other Primary service rate schedules.

**Monthly Net Rates:**

<b>Delivery Service Customer Charge:</b>	<b>\$ 12.10 per month,</b>
<b>Less: Competitive Billing (where applicable)</b>	<b>\$ 0.47 per month, plus,</b>
(see Section 7.7 for details)	

**Energy Charges:**

Generation and Transmission Market-Priced Service Charges can be found on [www.bge.com](http://www.bge.com) and Rider 1 – Standard Offer Service.

<b>Delivery Service Charge (Secondary):</b>	<b>0.02885 \$/kWh</b>
<b>Delivery Service Charge (Primary):</b>	<b>0.02770 \$/kWh</b>
<b>(Excludes Rider 10 – Administrative Cost Adjustment)</b>	

**Minimum Charge:** Net Delivery Service Customer Charge.

**Billing Seasons:** Summer rates are billed for the four billing periods ending June through September. Non-Summer rates are billed for the eight billing periods ending October through May.

**Late Payment Charge:** Standard. (Sec. 7.4)

**Payment Terms:** Standard. (Sec. 7)

**Term of Contract:** The initial term of contract is 2 years where additional main facilities are required for supply. Otherwise, the term of contract is one year. After the initial term of contract, the contract may be terminated by at least 30 days' notice from the Customer.

**Subject to Riders applicable as listed below:**

- |  |   |
|--|---|
| 1. Standard Offer Service                        | 21. Billing in Event of Service Interruption          |
| 2. Electric Efficiency Charge                    | 22. Minimum Charge for Short-Term Uses                |
| 3. Miscellaneous Taxes and Surcharges.           | 23. Advanced Meter Services                           |
| 4. Budget Billing                                | 24. Economic Development                              |
| 8. Energy Cost Adjustment                        | 25. Monthly Rate Adjustment                           |
| 9. Customer Billing and Consumption Data Request | 26. Peak Time Rebate                                  |
| 10. Administrative Cost Adjustment               | 27. Smart Meter Opt-Out                               |
| 13. Change of Schedule                           | 28. Small Generator Interconnection Standards         |
| 18. Net Energy Metering                          | 30. Demand Resource Surcharge                         |
| 19. Demonstration and Trial Installation         | 31. Electric Reliability Investment Initiative Charge |
|  | 32. Community Energy Pilot Program                    |



An Exelon Company

**MARYLAND  
RESIDENTIAL SERVICE  
SCHEDULE R  
UPDATED JANUARY 4, 2019**

**Standard Offer Service (Generation, Transmission including GRT, and PCA)**

	<u>06/01/18 – 09/30/18</u>	<u>10/01/18 – 05/31/19</u>	<u>06/01/19 – 09/30/19</u>
<b><u>Generation</u></b> <sup>1</sup>			
All kwh	\$0.06530 per kwh	\$0.06941 per kwh	\$ 0.05575 per kwhr
<b>Procurement Cost Adj.</b>	<u><a href="http://www.pepco.com/md-rates">www.pepco.com/md-rates</a></u> for monthly rate		
	<b><u>Billing Months of June – October (Summer)</u></b>	<b><u>Billing Months of November – May (Winter)</u></b>	
<b><u>Transmission</u></b> <sup>2</sup>			
Kilowatt-hour Charge	\$ 0.00869 per kwh	\$ 0.00869 per kwh	
<b>Gross Receipts Tax</b>	2.0408% applied to transmission bill		
<b><u>Distribution Service</u></b> <sup>3</sup>			
Customer Charge	\$ 7.80 per month	\$ 7.80 per month	
All kwh	\$ 0.06345 per kwh	\$ 0.03135 per kwh	
<b>Delivery Tax</b>	<u><a href="http://www.pepco.com/md-rates">www.pepco.com/md-rates</a></u> for monthly rate		
<b>MD Environmental Surcharge</b>	<u><a href="http://www.pepco.com/md-rates">www.pepco.com/md-rates</a></u> for monthly rate		
<b>Montgomery County Surcharge</b>	<u><a href="http://www.pepco.com/md-rates">www.pepco.com/md-rates</a></u> for monthly rate		
or			
<b>Prince Georges County Surcharge</b>	<u><a href="http://www.pepco.com/md-rates">www.pepco.com/md-rates</a></u> for monthly rate		
<b>Universal Service Charge</b> <sup>4</sup>	\$ 0.36 per account		
<b>Gross Receipts Tax</b>	2.0408% applied to distribution bill excluding the GPC, and the Montgomery or Prince Georges County Surcharge		
<b>Administrative Credit</b>	<u><a href="http://www.pepco.com/md-rates">www.pepco.com/md-rates</a></u> for monthly rate		
<b>Bill Stabilization Adj (BSA)</b> <sup>5</sup>	<u><a href="http://www.pepco.com/md-rates">www.pepco.com/md-rates</a></u> for monthly rate		
<b>EmPower MD Charge</b> <sup>6</sup>	\$ 0.007458 per kwh	\$ 0.007458 per kwh	

<sup>1</sup> Effective Usage on and after June 1, 2019  
<sup>2</sup> Effective Usage on and after December 1, 2017  
<sup>3</sup> Effective Usage on and after June 1, 2018  
<sup>4</sup> Effective Billing Month of February, 2014  
<sup>5</sup> Effective Billing Month of November, 2007  
<sup>6</sup> Effective Billing Month of January, 2019



An Exelon Company

**MARYLAND  
GENERAL SERVICE  
SCHEDULE GS  
UPDATED JANUARY 4, 2019**

**Standard Offer Service (Generation, Transmission including GRT, and PCA)**

	<u>06/01/18 – 09/30/18</u>	<u>10/01/18 – 05/31/19</u>	<u>06/01/19 – 09/30/19</u>
<b>Generation <sup>1</sup></b>			
All kwh	\$ 0.06636 per kwh	\$ 0.06610 per kwh	\$ 0.05761 per kwh

**Procurement Cost Adj.** [www.pepco.com/md-rates](http://www.pepco.com/md-rates) for monthly rate

	<u>Billing Months of June – October (Summer)</u>	<u>Billing Months of November – May (Winter)</u>
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<b>Transmission <sup>2</sup></b>		
All kwh	\$ 0.00635 per kwh	\$ 0.00635 per kwh
<b>Gross Receipts Tax</b>	2.0408% applied to transmission bill	

<b>Distribution Service <sup>3</sup></b>		
Customer Charge	\$ 11.64 per month	\$ 11.64 per month
All kwh	\$ 0.06133 per kwh	\$ 0.03222 per kwh

**Delivery Tax** [www.pepco.com/md-rates](http://www.pepco.com/md-rates) for monthly rate

**MD Environmental Surcharge** [www.pepco.com/md-rates](http://www.pepco.com/md-rates) for monthly rate

**Montgomery County Surcharge** [www.pepco.com/md-rates](http://www.pepco.com/md-rates) for monthly rate  
or

**Prince Georges County Surcharge** [www.pepco.com/md-rates](http://www.pepco.com/md-rates) for monthly rate

**Universal Service Charge <sup>4</sup>** See page 28 of Pepco's MD Electric Rate Schedules

**Gross Receipts Tax** 2.0408% applied to distribution bill excluding the GPC, and the Montgomery or Prince Georges County Surcharge

**Administrative Credit** [www.pepco.com/md-rates](http://www.pepco.com/md-rates) for monthly rate

**Bill Stabilization Credit (BSA) <sup>5</sup>** [www.pepco.com/md-rates](http://www.pepco.com/md-rates) for monthly rate

<b>EmPower MD Charge <sup>6</sup></b>	\$ 0.004907 per kwh	\$ 0.004907 per kwh
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<sup>1</sup> Effective Usage on and after June 1, 2019  
<sup>2</sup> Effective Usage on and after December 1, 2017  
<sup>3</sup> Effective Usage on and after June 1, 2018  
<sup>4</sup> Effective Billing Month of February, 2014  
<sup>5</sup> Effective Billing Month of November, 2007  
<sup>6</sup> Effective Billing Month of January, 2019

WASHINGTON GAS LIGHT COMPANY

MARYLAND

Firm Residential Sales Service

Rate Schedule No. 1

AVAILABILITY

This schedule is available in the Maryland portion of the Company's service area for firm gas service to any customer classified residential as defined in Section 1A. of the General Service Provisions.

RATE FOR MONTHLY CONSUMPTION

System Charge

All billing months \$10.70 per customer

Distribution Charge

All gas used during the billing month

	Heating and/or Cooling	Non-heating and Non-cooling
First 45 therms	45.27¢ per therm	41.39¢ per therm
Next 135 therms	33.44¢ per therm	30.07¢ per therm
Over 180 therms	25.49¢ per therm	22.61¢ per therm

Purchased Gas Charge

The Purchased Gas Charge per therm shall be computed in accordance with Section 16 of the General Service Provisions and applies to all gas used during the billing month.

MINIMUM MONTHLY BILL

The minimum monthly bill shall be the System Charge.

MARYLAND FRANCHISE TAX SURCHARGE

The Distribution charge shall be subject to the Maryland Franchise Tax Surcharge in accordance with General Service Provision No. 27.

REVENUE NORMALIZATION ADJUSTMENT

The Distribution Charge shall be subject to the Revenue Normalization Adjustment (RNA) in accordance with General Service Provision No. 30.

ISSUED: January 31, 2019

EFFECTIVE: For service rendered on and after December 11, 2018

John O'Brien – Executive Vice President, Strategy and Public Policy



Residential Service - Rate Schedule No. 1 (Continued)

LATE PAYMENT CHARGE

All bills are due and payable when rendered and the charges stated apply when the bills are paid within twenty days after date of rendition. If bills are not paid within twenty days after rendition, except as provided below, a late payment charge will be added equal to one and one-half percent of the unpaid bill and at the end of the first nominal thirty-day billing interval after that, an additional charge of one and one-half percent of any portion of the original amount which remains unpaid, and at the end of the second thirty-day nominal billing interval, an additional charge will be made equal to 2 percent of any portion of the original amount which remains unpaid at that time; however, the total of such charges shall not exceed 5%.

An extended payment period is available to residential customers receiving monthly Social Security or other government-sponsored, low-income monthly assistance which constitutes the main source of total income within the household. The customer is responsible for making application to the Company, and such application is subject to verification and acceptance by the Company. Continued eligibility for an extended payment period is dependent upon an application renewal by the customer and acceptance by the Company during the month of March of each succeeding year. For bills otherwise rendered with a due date after the 5th of the current month through the 4th of the month following the due date shall be extended to the 5th day of such month following. If the 5th day falls on a Holiday, Saturday or Sunday, the payment period shall be extended through the next business day.

FIRM CREDIT ADJUSTMENT

The charges specified in this schedule shall be subject to the Firm Credit Adjustment (FCA) in accordance with the General Service Provision No. 20.

GAS SUPPLY REALIGNMENT ADJUSTMENT

The distribution charge shall be subject to the Gas Supply Realignment Adjustment (GSRA) in accordance with General Service Provision No. 26.

SPECIAL PROVISION – UNMETERED GAS FOR LIGHTING

- A. Unmetered gas service is available under this schedule for outdoor gas lights installed on the Company's side (upstream) of the meter on or before September 29, 1999, provided:
1. The lights conform with the Company's General Service Provisions; and,
  2. The posts and lamps are owned by and installed and maintained at the expense of the customer or property owner.

ISSUED: September 27, 2002

EFFECTIVE: For meter readings on and after September 30, 2002

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

Residential Service - Rate Schedule No. 1 (Continued)

SPECIAL PROVISION - UNMETERED GAS FOR LIGHTING (continued)

- B. The monthly gas consumption of the light or lights used in each installation shall be determined by multiplying the aggregate rated hourly input capacity of the light(s) by 730 hours, adjusted to reflect hours of use if applicable, and converting the product (rounded to the nearest 100 cubic feet) to therms.
- C. Where the customer does not use metered gas for other purposes under this schedule, unmetered gas used for lighting shall be billed at the rates contained herein. But where the customer also uses metered gas under this schedule, the unmetered gas used for lighting shall be added to the metered usage and the total usage billed at the rates contained herein.

CHARGE FOR TEMPORARY DISCONTINUANCE OF SERVICE

Whenever service under this rate schedule has been temporarily discontinued at the request of the customer, a charge equal to the System Charge times the number of months of discontinued service will be made for reestablishing such service.

GROSS RECEIPTS TAX SURCHARGE

Amounts billed to customers shall include a surcharge to reflect any increase or decrease in the effective gross receipts tax rate from the effective gross receipts tax rate in effect at the time the sales agreement became effective for service. The surcharge factor shall be computed as follows where R represents the decimal equivalent of the changed rate and E represents the existing gross receipts tax rate.

$$\text{Surcharge Factor} = (R - E) / (1 - R)$$

Such surcharge factor or any subsequently revised factor shall become effective along with the billing of revenues to which the changed gross receipts tax rate first applies. The amount of such charge shall be shown separately on bills rendered to customers.

ACCELERATED PIPE REPLACEMENT PLAN (STRIDE) RIDER

Customers under this Rate Schedule shall be subject to the Accelerated Pipe Replacement Plan (STRIDE) Rider in accordance with General Service Provision No. 32.

GENERAL SERVICE PROVISIONS

Except as otherwise specifically provided herein, the application of this schedule is subject to the General Service Provisions of the Company as they may be in effect from time to time, and as filed with the Public Service Commission.

ISSUED: July 11, 2014

EFFECTIVE: For meter readings on and after July 28, 2014

Roberta W. Sims – Vice President, Regulatory Affairs & Energy Acquisition

WASHINGTON GAS LIGHT COMPANY

MARYLAND

Firm Group Metered Apartment Sales Service

Rate Schedule No. 3

AVAILABILITY

Sales service under this schedule is available in the Maryland portion of the Company's service area for firm gas sales service to any customer classified Group Metered Apartment as defined in Section 1A. of the General Service Provisions.

RATE FOR MONTHLY CONSUMPTION

Heating and/or Cooling

System Charge

All billing months \$49.45 per bill

Distribution Charge

All gas used during the billing month:

First 300 therms	35.91¢ per therm
Next 6,700 therms	24.89¢ per therm
Over 7,000 therms	18.48¢ per therm

Non-Heating and Non-Cooling

System Charge

All billing months \$17.50 per bill

Distribution Charge

All gas used during the billing month:

First 300 therms	29.24¢ per therm
Next 6,700 therms	20.20¢ per therm
Over 7,000 therms	15.01¢ per therm

Purchased Gas Charge

The Purchased Gas Charge per therm shall be computed in accordance with Section 16 of the General Service Provisions and applies to all gas used during the billing month.

MINIMUM MONTHLY BILL

The minimum monthly bill for sales service shall be the System Charge.

ISSUED: January 31, 2019

EFFECTIVE: For service rendered on and after December 11, 2018

John O'Brien – Executive Vice President, Strategy and Public Policy

WASHINGTON GAS LIGHT COMPANY

MARYLAND

Firm Group Metered Apartment Sales Service

Rate Schedule No. 3

LATE PAYMENT CHARGE

All bills are due and payable when rendered and the charges stated apply when the bills are paid within twenty days after date of rendition. If bills are not paid within twenty days after rendition, a late payment charge will be added equal to one and one-half percent of the unpaid bill and at the end of the first nominal thirty-day billing interval after that, an additional charge of one and one-half percent of any portion of the original amount which remains unpaid, and at the end of the second thirty-day nominal billing interval, an additional charge will be made equal to 2 percent of any portion of the original amount which remains unpaid at that time; however, the total of such charges shall not exceed 5%.

ISSUED: November 22, 2011

EFFECTIVE: For service rendered on and after November 14, 2011

Roberta W. Sims - Vice President, Regulatory Affairs & Energy Acquisition

Firm Group Metered Apartment Sales Service – Rate Schedule No. 3 (Continued)

REVENUE NORMALIZATION ADJUSTMENT

The Distribution Charge shall be subject to the Revenue Normalization Adjustment (RNA) in accordance with General Service Provision No. 30.

MARYLAND FRANCHISE TAX SURCHARGE

The Distribution Charge shall be subject to the Maryland Franchise Tax Surcharge in accordance with General Service Provision No. 27.

FIRM CREDIT ADJUSTMENT

The charges specified in this schedule shall be subject to the Firm Credit Adjustment (FCA) in accordance with General Service Provision No. 20.

GAS SUPPLY REALIGNMENT ADJUSTMENT

The Distribution Charge shall be subject to the Gas Supply Realignment Adjustment (GSRA) in accordance with General Service Provisions No. 26.

SPECIAL PROVISION – UNMETERED GAS FOR LIGHTING

- A. Unmetered gas sales service is available under this schedule for outdoor gas lights installed on the Company's side (upstream) of the meter on or before September 29, 1999, provided:
1. The lights conform with the Company's General Service Provisions; and,
  2. The posts and lamps are owned by and installed and maintained at the expense of the customer or property owner.
- B. The monthly gas consumption of the light or lights used in each installation shall be determined by multiplying the aggregate rated hourly input capacity of the light(s) by 730 hours, adjusted to reflect hours of use if applicable, and converting the product (rounded to the nearest 100 cubic feet) to therms.
- C. Where the customer also uses metered gas under this schedule, the unmetered gas used for lighting shall be added to the metered usage and the total usage billed at the rates contained herein. But where the customer does not use metered gas for other purposes under this schedule, unmetered gas used for lighting shall be considered Commercial and Industrial Service and billed as provided under Special Provision – Unmetered Gas for Lighting, of Rate Schedule No. 2.

CHARGE FOR TEMPORARY DISCONTINUANCE OF SERVICE

Whenever sales service under this rate schedule has been temporarily discontinued at the request of the customer, a charge equal to the System Charge times the number of months of discontinued service will be made for reestablishing such service.

ISSUED: September 1, 2005

EFFECTIVE: For meter readings on and after October 1, 2005

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

Firm Group Metered Apartment Sales Service - Rate Schedule No. 3 (Continued)

GROSS RECEIPTS TAX SURCHARGE

Amounts billed to customers shall include a surcharge to reflect any increase or decrease in the effective gross receipts tax rate from the effective gross receipts tax rate in effect at the time the sales agreement became effective for service. The surcharge factor shall be computed as follows where R represents the decimal equivalent of the changed rate and E represents the existing gross receipts tax rate.

$$\text{Surcharge Factor} = (R - E) / (1 - R)$$

Such surcharge factor or any subsequently revised factor shall become effective along with the billing of revenues to which the changed gross receipts tax rate first applies. The amount of such charge shall be shown separately on bills rendered to customers.

ACCELERATED PIPE REPLACEMENT PLAN (STRIDE) RIDER

Customers under this Rate Schedule shall be subject to the Accelerated Pipe Replacement Plan (STRIDE) Rider in accordance with General Service Provision No. 32.

GENERAL SERVICE PROVISIONS

Except as otherwise specifically provided herein, the application of this schedule is subject to the General Service Provisions of the Company as they may be in effect from time to time, and as filed with the Public Service Commission.

ISSUED: July 11, 2014

EFFECTIVE: For meter readings on and after July 28, 2014

Roberta W. Sims - Vice President, Regulatory Affairs & Energy Acquisition