

CITY COUNCIL

READ FILE COVER SHEET

Subject: **Ordinance 1231 concerning Amending Chapter 196 Water & Sewer Rates as it relates to Accessory Dwelling Units (ADUs) (Public Hearing)**

Date: **9/9/2026**

Notice: Any comments made after 5:00 p.m. on the Thursday before the Council Meeting will not be seen in the agenda packet.

Purpose:

- ☐ FYI
- ☒ **Read and Comment as Needed**
- ☒ **Action Required by September 21, 2026**
- ☐ In Confidential File Drawer

Approve:

Johnny Boker ☐ Yes ☐ No ☐ No Comment

Comment: _____

Casi Boyer ☐ Yes ☐ No ☐ No Comment

Comment: _____

Lizz Clarke ☐ Yes ☐ No ☐ No Comment

Comment: _____

Matthew Ellis ☐ Yes ☐ No ☐ No Comment

Comment: _____

David Glenn ☐ Yes ☐ No ☐ No Comment

Comment: _____

Vicki Jones ☐ Yes ☐ No ☐ No Comment

Comment: _____

Note: Legislative summary attached.



CITY OF HAVRE DE GRACE

OFFICE OF THE MAYOR

William T. Martin

MEMORANDUM

TO: The Honorable Council President Casi Boyer and
The Honorable Members of the City Council

FROM: Adam Rybczynski, Senior Aide to the Mayor

DATE: September 4, 2026

SUBJECT: Introduction of Ordinance - Chapter 196 (Water and Sewer Rates) Regarding
Accessory Dwelling Units (ADUs)

1. Administrative and Legal Review

At the direction of Mayor Martin, the City Attorney and the Director of Public Works, Joe Conaway, have drafted the attached ordinance.

2. Executive Summary

On behalf of Mayor Martin, the administration requests the introduction and passage of an ordinance amending Havre de Grace City Code Chapter 196 (Water and Sewer Rates) to align municipal regulations with recent state legislation (Maryland Code, Land Use Article Title 4, Subtitle 5).

The proposed legislation establishes clear, objective standards governing utility infrastructure, connection requirements, shared meters, building excise taxes, development impact fees, and capital cost recovery charges for Accessory Dwelling Units (ADUs).

This update ensures full compliance with state mandates (§§ 4-506 and 4-507), eliminates excessive or duplicate utility fees, and removes unnecessary financial and administrative barriers to local ADU development.

- **New vs. Existing Infrastructure:** ADUs built alongside new or substantially renovated primary homes may still be subject to separate main connection requirements, whereas existing primary residence connections are protected under the sufficiency standard enforced by DPW.

3. Existing City Code or Legislation

- **Code Citation:** City Code Chapter 196 (Water and Sewer Rates) and § 205-9H.

Legislative Summary

Introduction of Ordinance - Chapter 196 (Water and Sewer Rates) Regarding Accessory Dwelling Units (ADUs)

September 4, 2026

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- **Current Process:** Chapter 196 currently governs municipal water and sewer rates, fees, and capital cost recovery charges. Under current practices, accessory dwelling units risk being subjected to full, duplicate utility connection fees, mandatory separate meters, and automatic capital cost recovery charges similar to standard primary residences.

4. Proposed Changes to the City Code

Specific Amendments & Citations - The ordinance adds a new provision, § 196-3.1, with the following statutory requirements:

- **Proposed Code § 196-3.1(B) – Development Impact Fees & Excise Taxes:** Prohibits impact fees or excise taxes on ADUs under 750 sq. ft. For ADUs 750 sq. ft. or larger, fees must be assessed proportionately relative to the primary dwelling's size and cannot act as a de facto development prohibition.
- **Proposed Code § 196-3.1(C) – Existing Connections:** Unless built alongside a new or substantially renovated primary home, separate connections to water/sewer mains cannot be required if the existing line is sufficient under objective Department of Public Works (DPW) criteria.
- **Proposed Code § 196-3.1(D) – Integration Fees:** Prohibits connection fees when an ADU integrates into an existing connection, though reasonable, actual inspection fees remain permitted.
- **Proposed Code § 196-3.1(E) – Shared Meters:** Allows property owners to elect a shared water meter with the primary dwelling. A separate meter cannot be mandated solely due to the presence of an ADU.
- **Proposed Code § 196-3.1(F) & (G) – Capital Cost Recovery & Duplicate Charges:** Mandates written legal and technical justifications prior to imposing recovery charges and explicitly prohibits duplicate utility or connection fees for the same demand.

CITY COUNCIL
OF
HAVRE DE GRACE, MARYLAND

ORDINANCE NO. 1231

Introduced by _____ Council Member Clarke

AN ORDINANCE BY THE MAYOR AND CITY COUNCIL OF
HAVRE DE GRACE, MARYLAND, ADOPTED PURSUANT TO THE
AUTHORITY OF ARTICLE XI-E OF THE MARYLAND
CONSTITUTION, THE LOCAL GOVERNMENT ARTICLE OF THE
ANNOTATED CODE OF MARYLAND, AND SECTIONS 33 AND 34
OF THE HAVRE DE GRACE CITY CHARTER, TO AMEND CITY
CODE CHAPTER 196, WATER AND SEWER RATES, REGARDING
ACCESSORY DWELLING UNITS (ADUs)

On: September 8, 2026
at: 7:00 p.m.

Ordinance introduced, read first time, ordered posted and public hearing scheduled.

PUBLIC HEARING

A Public Hearing is scheduled for September 21, 2026 at 7:00 p.m.

EXPLANATION

Underlining indicates matter
added to existing law.

[Bold Brackets] indicate matter
deleted from existing law.

Amendments proposed prior to
final adoption will be noted on a
separate page with line
references or by handwritten
changes on the draft legislation.

WHEREAS, Chapter 197 of the Acts of 2025 enacted Maryland Code, Land Use Article, Title 4, Subtitle 5, governing accessory dwelling units; and

WHEREAS, Maryland Code, Land Use Article §§ 4-506 and 4-507 limit certain development charges and water and sewer connection requirements applicable to accessory dwelling units; and

WHEREAS, City Code § 205-9H and the City's proposed accessory dwelling unit ordinance require conforming amendments to Chapter 196, Water and Sewer Rates; and

WHEREAS, Chapter 196, rather than Chapter 197 of the City Code, governs water and sewer rates and capital cost recovery charges;

NOW, THEREFORE, it is determined, decided, and ordained by the City Council of Havre de Grace that Chapter 196 of the City Code and its incorporated rate and fee schedule are amended as follows:

1. ACCESSORY DWELLING UNIT CHARGES

City Code Chapter 196 and the water and sewer rate, charge, fee, and capital cost recovery schedule incorporated by Chapter 196 are amended by adding the following provision as new 196-3.1:

§ 196-3.1 Accessory dwelling units.

A. Definitions. "Accessory dwelling unit," "primary dwelling," and "total floor area" have the meanings stated in City Code § 205-13.

B. Development impact fees and building excise taxes.

- (1) No charge classified by applicable law as a development impact fee or building excise tax shall be imposed on an accessory dwelling unit having a total floor area of less than 750 square feet.
- (2) For an accessory dwelling unit having a total floor area of at least 750 square feet, any development impact fee or building excise tax shall:
 - (a) Be assessed proportionately based on the ratio of the accessory dwelling unit's total floor area to the primary dwelling's total floor area; and
 - (b) Not be set or administered at an amount that creates a de facto prohibition on development of the accessory dwelling unit.
- (3) Nothing in this subsection prevents the City from waiving or reducing a charge otherwise authorized by law.

C. Existing water or sewer connection.

- (1) Except for an accessory dwelling unit developed in conjunction with a new or substantially renovated primary dwelling, the City shall not require a separate connection between the accessory dwelling unit and the water or sewer main if the existing connection serving the primary dwelling is sufficient to serve both dwelling units.

(2) Sufficiency shall be determined under objective, published criteria addressing service-line size and condition, available water pressure and flow, sewer capacity, backflow prevention, and applicable public-health and plumbing-code requirements.

(3) The Department of Public Works shall state in writing any criterion that is not satisfied when requiring a separate connection.

D. Integration and connection fees. If the accessory dwelling unit is integrated into the existing connection serving the primary dwelling, the City shall not charge a connection fee associated with that integration. This provision does not prohibit a generally applicable inspection fee that reflects the City's actual and reasonable cost to inspect the work and is not calculated as a connection or capacity charge.

E. Shared meter. A person developing an accessory dwelling unit may elect to use a water meter shared with the primary dwelling. The City may require a meter or service-line size sufficient to measure and serve the combined use under objective, published standards, but shall not require a separate meter solely because an accessory dwelling unit is developed.

F. Capital cost recovery charges.

(1) A capital cost recovery charge shall not be imposed or calculated in a manner inconsistent with Maryland Code, Land Use Article §§ 4-506 and 4-507.

(2) Before imposing a capital cost recovery charge on an accessory dwelling unit, the City shall identify in writing:

(a) The legal classification and purpose of the charge;

(b) The provision of Chapter 196 or the incorporated schedule authorizing the charge;

(c) The objective demand factor or proportional formula used; and

(d) Any exemption, reduction, or prohibition required by State law.

(3) No capital cost recovery charge may be used to impose indirectly a connection fee prohibited under Subsection D.

G. No duplicate charge. Development of an accessory dwelling unit shall not result in duplicate water or sewer capacity, connection, or capital cost recovery charges for the same demand or improvement.

2. CONFORMING FEE SCHEDULE

The City's water and sewer rate and fee schedule shall include a separate accessory dwelling unit entry reflecting the exemptions, proportional calculations, connection limitations, and shared-meter election established by this Ordinance. Any inconsistent reference imposing an automatic or minimum capital cost recovery charge on every accessory dwelling unit is repealed to the extent of the inconsistency.

3. COORDINATION WITH CHAPTER 205

This Ordinance shall be interpreted consistently with City Code §§ 205-9H and 205-13. If the Chapter 205 accessory dwelling unit ordinance has not taken effect when this Ordinance is adopted, this Ordinance shall take effect concurrently with that ordinance.

4. SEVERABILITY; CODIFICATION; EFFECTIVE DATE

- A. If any provision or application of this Ordinance is held invalid, the remaining provisions and applications are severable.
- B. The Director of Administration and Code publisher may correct numbering, capitalization, punctuation, cross-references, and nonsubstantive formatting necessary for codification.
- C. This Ordinance shall take effect as provided by the City Charter and applicable law.

ADOPTED by the City Council of Havre de Grace, Maryland this __ day of ____, 2026.

SIGNED by the Mayor and attested by the Director of Administration this __ day of ____, 2026.

ATTEST:

MAYOR AND CITY COUNCIL
OF HAVRE DE GRACE

Christopher Ricci
Director of Administration

William T. Martin
Mayor

Introduced/First Reading: 9/8/2026
Public Hearing:
Second Reading/Adopted:
Effective Date: