

HOUSE BILL 399

N1
HB 178/20 – ENT

(PRE-FILED)

11r0557

By: **Delegate Krimm**

Requested: August 26, 2020

Introduced and read first time: January 13, 2021

Assigned to: Environment and Transportation

Committee Report: Favorable

House action: Adopted

Read second time: February 8, 2021

CHAPTER _____

1 AN ACT concerning

2 **Real Property – Required Notices for Contracts of Sale – Zones of Dewatering**
3 **Influence**

4 FOR the purpose of requiring the Department of the Environment to develop and publish
5 a certain map on the Department’s website; requiring a contract for the sale of real
6 property located in Baltimore County, Carroll County, Frederick County, or
7 Washington County to include a certain notice about property located in a zone of
8 dewatering influence; establishing that a purchaser of real property that does not
9 receive the notice required under this Act has a certain right to rescind a contract
10 for the sale of the property and for the return of certain deposits under certain
11 circumstances; requiring the return of certain deposits to comply with certain law;
12 requiring a contract for the sale of property to comply with certain provisions of this
13 Act; defining a certain term; providing for the application of this Act; and generally
14 relating to required notice in the sale of real property located in a zone of dewatering
15 influence.

16 BY repealing and reenacting, with amendments,
17 Article – Environment
18 Section 15–813
19 Annotated Code of Maryland
20 (2014 Replacement Volume and 2020 Supplement)

21 BY adding to
22 Article – Real Property

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 10–711 and 14–117(e)(23)
2 Annotated Code of Maryland
3 (2015 Replacement Volume and 2020 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – Real Property
6 Section 14–117(e)(21) and (22)
7 Annotated Code of Maryland
8 (2015 Replacement Volume and 2020 Supplement)

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
10 That the Laws of Maryland read as follows:

11 **Article – Environment**

12 15–813.

13 (a) (1) In this section the following words have the meanings indicated.

14 (2) “Dewater” or “dewatering” means to pump water out of a pit.

15 (3) “Karst terrain” means an irregular topography that is:

16 (i) Caused by a solution of limestone and other carbonate rock; and

17 (ii) Characterized by closed depressions, sinkholes, caverns, solution
18 cavities, and underground channels that, partially or completely, may capture surface
19 streams.

20 (4) “Lineaments” means the surface manifestation of cracks, fissures,
21 fractures, and zones of weakness that, generally, are observable on aerial photographs as
22 straight or nearly straight lines.

23 (b) (1) If a permittee is issued a water appropriation permit under § 5–502 of
24 this article to dewater a pit located in karst terrain in Baltimore, Carroll, Frederick, and
25 Washington counties, the Department shall establish, as a condition of the permittee’s
26 surface mining permit under § 15–810 of this subtitle, a zone of dewatering influence
27 around the surface mine.

28 (2) The areal extent of the zone of dewatering influence shall be based, as
29 appropriate, on local topography, watersheds, aquifer limits, and other hydrogeologic
30 factors, including the occurrence of natural fractures, cracks, crevices, lineaments, igneous
31 dikes, changes in rock type, and variations in the water-bearing characteristics of
32 formations.

1 **(3) THE DEPARTMENT SHALL DEVELOP AND PUBLISH ON ITS**
2 **WEBSITE FOR USE BY THE PUBLIC A SEARCHABLE MAP OF ZONES OF DEWATERING**
3 **INFLUENCE ESTABLISHED BY THE DEPARTMENT UNDER THIS SUBSECTION.**

4 (c) (1) Within the zone of dewatering influence established under subsection
5 (b)(1) of this section, the permittee shall:

6 (i) Replace, at no expense to the owner of real property that is
7 affected by the surface mine dewatering, a water supply that fails as a result of declining
8 ground water levels;

9 (ii) On discovery of a sudden subsidence of the surface of the land,
10 immediately implement appropriate safety measures to protect public health and safety;
11 and

12 (iii) On a determination by the Department of proximate cause after
13 the permittee has received proper notice and an opportunity to respond and provide
14 information, pay monetary compensation to the affected property owner or repair any
15 property damage caused as a result of the sudden subsidence of the surface of the land.

16 (2) A permittee shall permanently replace a water supply under paragraph
17 (1)(i) of this subsection within 45 days of the date on which the permittee knew of the water
18 supply failure.

19 (d) (1) An individual domestic water supply within a zone of dewatering
20 influence that is no longer capable of yielding water because of declining water levels shall
21 be considered to be replaced adequately by a permittee if the permittee provides for the
22 affected property owner a new or retrofitted well that is capable of meeting the minimum
23 yield requirements established in regulations adopted by the Department of the
24 Environment during the period of pit dewatering.

25 (2) A municipal, industrial, commercial, institutional, or farming water
26 supply within a zone of dewatering influence that is no longer capable of yielding water
27 because of declining water levels shall be considered to be replaced adequately by a
28 permittee if the permittee provides for the affected property owner a new or retrofitted well
29 or other alternative water supply that is capable of yielding water equal to the volume used
30 or needed by the property owner before the disruption of water supply.

31 (e) (1) Real or personal property within the zone of dewatering influence in
32 karst terrain in Baltimore, Carroll, Frederick, and Washington counties found by the
33 Department to have been damaged as a result of sudden land surface subsidence shall be
34 considered to be repaired adequately by a permittee if the permittee returns the damaged
35 property to its condition before the subsidence of the surface of the land.

36 (2) If the damaged real or personal property is not capable of being restored
37 to its pre-subsidence condition, the permittee shall compensate the owner of the real or
38 personal property monetarily by the difference of the fair market value of the property as

1 the property would exist but for the sudden land subsidence, and the fair market value of
2 the property as a result of the damage.

3 (3) Notwithstanding the other provisions of this subsection, the permittee
4 and the property owner may agree on monetary compensation or other mitigation in lieu of
5 restoration.

6 (f) (1) The Department may not require a permittee to replace water supplies,
7 as provided in this section, if the permittee demonstrates to the Department by clear and
8 convincing evidence that the proximate cause of the loss of water supply is not the result of
9 pit dewatering.

10 (2) The permittee may seek reimbursement for the cost of a water supply
11 replacement from the owner of real property that is affected by the surface mine dewatering
12 if after the permittee replaces the water supply it is determined that the permittee's
13 dewatering activity is not the proximate cause of the water supply failure.

14 (g) (1) The Department shall provide opportunity for a contested case hearing
15 in accordance with Title 10, Subtitle 2 of the State Government Article.

16 (2) This subsection may not be construed to stay the requirement to
17 permanently replace a water supply or implement appropriate safety measures in
18 accordance with subsection (c) of this section.

19 (h) The Department shall adopt regulations to establish an administrative
20 process to expedite the resolution of water supply loss or property damage claims arising
21 under this section.

22 (i) Compensation, restoration, or mitigation provided by this section does not
23 apply to:

24 (1) Improvements that are made to real property within an established
25 zone of dewatering influence following a final decision by the Department to issue a surface
26 mining permit; or

27 (2) Improvements that are made to real property following the
28 establishment of a zone of dewatering influence as a condition of an existing surface mine
29 permit.

30 Article – Real Property

31 **10-711.**

32 (A) IN THIS SECTION, “ZONE OF DEWATERING INFLUENCE” MEANS THE
33 AREA AROUND A SURFACE MINE IN KARST TERRAIN DESIGNATED BY THE

1 DEPARTMENT OF THE ENVIRONMENT UNDER § 15-813 OF THE ENVIRONMENT
2 ARTICLE.

3 (B) THIS SECTION APPLIES ONLY TO THE SALE OF A PROPERTY LOCATED
4 WITHIN BALTIMORE COUNTY, CARROLL COUNTY, FREDERICK COUNTY, AND
5 WASHINGTON COUNTY.

6 (C) A CONTRACT FOR THE SALE OF REAL PROPERTY SHALL INCLUDE, IN
7 CONSPICUOUS, BOLD, AND UNDERSCORED TYPE, THE FOLLOWING BUYER NOTICE IN
8 THE CONTRACT:

9 “NOTICE ON ZONES OF DEWATERING INFLUENCE

10 A PURCHASER OF REAL PROPERTY LOCATED IN BALTIMORE COUNTY, CARROLL
11 COUNTY, FREDERICK COUNTY, OR WASHINGTON COUNTY IS ADVISED TO CONTACT
12 THE MARYLAND DEPARTMENT OF THE ENVIRONMENT TO DETERMINE WHETHER
13 THE REAL PROPERTY FOR PURCHASE IS LOCATED WITHIN A ZONE OF DEWATERING
14 INFLUENCE. MARYLAND LAW PROVIDES CERTAIN REMEDIES FOR PROPERTY
15 IMPACTED BY DEWATERING.”.

16 (D) (1) A PURCHASER THAT RECEIVES THE NOTICE REQUIRED UNDER
17 SUBSECTION (C) OF THIS SECTION ON OR BEFORE ENTERING INTO A CONTRACT OF
18 SALE DOES NOT HAVE THE RIGHT TO RESCIND THE CONTRACT OF SALE BASED ON
19 THE INFORMATION RECEIVED FROM THE VENDOR UNDER SUBSECTION (C) OF THIS
20 SECTION.

21 (2) (I) A PURCHASER THAT DOES NOT RECEIVE THE NOTICE
22 REQUIRED UNDER SUBSECTION (C) OF THIS SECTION ON OR BEFORE ENTERING
23 INTO A CONTRACT OF SALE, ON WRITTEN NOTICE TO THE VENDOR OR THE VENDOR’S
24 AGENT:

25 1. HAS THE UNCONDITIONAL RIGHT TO RESCIND THE
26 CONTRACT AT ANY TIME BEFORE, OR WITHIN 5 DAYS AFTER, RECEIPT OF THE
27 NOTICE REQUIRED UNDER SUBSECTION (C) OF THIS SECTION; AND

28 2. IS ENTITLED TO THE IMMEDIATE RETURN OF ANY
29 DEPOSITS MADE IN ACCORDANCE WITH THE CONTRACT.

30 (II) THE RETURN OF ANY DEPOSITS HELD IN TRUST BY A
31 LICENSED REAL ESTATE BROKER TO A PURCHASER UNDER SUBPARAGRAPH (I)2 OF
32 THIS PARAGRAPH SHALL COMPLY WITH THE PROCEDURES SET FORTH IN § 17-505
33 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

1 14-117.

2 (e) A contract of sale shall also comply with the following provisions, if applicable:

3 (21) Section 13-504 of the Tax - Property Article (notice of liability for
4 agricultural land transfer tax in Washington County); [and]

5 (22) Section 6-824 of the Environment Article (disclosure pertaining to
6 obligations to perform risk reduction); AND

7 **(23) SECTION 10-711 OF THIS ARTICLE (NOTICE ON ZONES OF**
8 **DEWATERING INFLUENCE).**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.