



## House Bill 1069 – Water Supply - Private Well Safety Program

### Position: Oppose

While Maryland REALTORS® support efforts to ensure clean and safe drinking water for Maryland residents served by private wells, we have concerns over both the funding source for the bill and the impacts it will have on the home sales process.

HB 1069, as drafted, would increase the transfer tax on the sale of homes that are served by private wells. We believe the imposition of yet another real estate tax is unnecessary. A property sale is already subject to 8 taxes: 2 transfer taxes (state and local); a recordation tax; a recording fee; 2 property taxes; a bay restoration property surtax; and a stormwater fee.

The imposition of the bay restoration surtax is relevant to HB 1069, because based upon the most recent report, the fund has approximately \$60M in unallocated revenues as the state completes its wastewater treatment plant upgrades. As an existing fund dedicated to improving water quality in Maryland, REALTORS® believe this is a more appropriate funding source for any private well program.

In addition, the requirements added under the Real Property subtitle would conflict with current industry practices regarding the transfer of properties served by well water. A buyer's lender frequently requires the buyer to conduct their own well water test and will not accept tests performed by other parties prior to the sale of the property. This practice would continue even if the seller were required to provide a test, resulting in two water tests taking place for a single transaction. We see this as introducing additional confusion and conflict into a real estate transaction rather than resolving it.

The Maryland REALTORS® will continue to discuss ways to structure a well safety program using existing funding sources and targeting areas at high risk for groundwater contamination. Local grant programs which encourage routine septic testing by offering reimbursements to property owners may serve as an example for well safety.

However, until an agreement on the above issues is reached, the Maryland REALTORS® must recommend an unfavorable report.

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