

February 2nd, 2026

The Honorable Marc Korman
Chair, House Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Opposition HB146 Environment – On-Site Wastewater Systems – Requirements for Inspection and Pumping Services and Implementation Dates

Dear Chair Korman,

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding **HB146 Environment – On-Site Wastewater Systems – Requirements for Inspection and Pumping Services and Implementation Dates**.

This bill requires septic systems to be inspected and pumped before new tenants move in and before most property sales. It also requires reporting of failing systems to local authorities. We are concerned that this will add more to the cost of housing and more steps to a process that is already complicated. These extra steps will particularly hurt our industry in rural parts of the State where access to licensed inspectors and pumpers is limited. The added requirements will create delays in the final stages of a property sale which will significantly hurt cash flow and disrupt the timing of a project. Homebuilders typically carry upfront costs for land, construction, labor, materials, and interest on construction loans. Settlement is when the builder is paid and the loan is paid off. If settlement is delayed, builders continue to take on interest, carrying costs, insurance, and taxes. All of these costs are taken on while the builder receives no payments from the homebuyer. This ultimately leads to higher home prices when there is already an affordability crisis in our State.

Although the bill exempts the initial transfer after construction, MBIA is concerned about expanded liability and uncertainty created by inspection reports generated close to settlement. Even the smallest findings may lead to demands for repairs, negotiations to lower the price of a home, or future claims, even though the septic systems were installed and approved by local health departments.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment and Transportation Committee