Department of Legislative Services

Maryland General Assembly 2024 Session

FISCAL AND POLICY NOTE Enrolled - Revised

(Senators Lewis Young and Folden)

Judicial Proceedings

Senate Bill 125

Environment and Transportation

Residential Property Sales - Contract Disclosures - Superfund Sites

This bill requires the seller of any residential property located within 1.0 mile of a National Priorities List (NPL) Superfund site to provide a specified addendum to the contract of sale. The addendum must include (1) the identification of the Superfund site that is within 1.0 mile of the property; (2) the definition of an NPL Superfund site under U.S. Environmental Protection Agency (EPA) guidelines; (3) information regarding specific EPA websites; and (4) a notice that within five days after signing and dating the contract (and on written notice to the seller), the buyer may void the contract and, on recession, receive a full refund of any money paid to the seller.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State finances or operations.

Local Effect: The bill is not anticipated to materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law: Statutory provisions set forth numerous requirements regarding statements, disclosures, and notices in contracts for the sale of property, including provisions relating to:

- notice of estimated deferred water and sewer charges;
- notice of costs of recordation or transfer taxes;

- notice that the subject property may be located in a "critical area" of the Chesapeake Bay and Atlantic Coastal Bays;
- notice of specified development impact fees;
- notice of protection by the Real Estate Guaranty Fund;
- notices related to deposits, specified contractual provisions, and warranties; and
- notice that the subject property may be located in a zone of dewatering influence.

Many requirements regarding such statements, disclosures, and notices vary depending on the type of property at issue and/or the jurisdiction where the property is located. Generally, unless otherwise specifically provided, a contract of sale is not rendered invalid by the omission of any statement, disclosure, or notice.

Additional Comments: The Maryland Department of the Environment administers the State's Superfund program. The program oversees assessment and cleanup of hazardous waste sites by responsible persons. The program also conducts assessment and cleanup of hazardous waste sites when no responsible person exists for a site or when the person is unable or unwilling to do the work.

The federal Superfund program was created as a result of The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), which was enacted in 1980 and amended by the Superfund Amendments and Reauthorization Act of 1986. Superfund is a program administered by EPA to locate, investigate, and clean up the worst hazardous waste sites throughout the United States. These sites include abandoned warehouses, manufacturing facilities, processing plants, and landfills. EPA's Superfund Enterprise Management System (known as SEMS) database is the official repository for site and nonsite specific Superfund data in support of CERCLA. It contains information on hazardous waste site assessment and remediation from 1983 to the present. NPL is the list of sites of national priority among the known releases or threatened releases of hazardous substances, pollutants, or contaminants throughout the United States and its territories.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 485 and HB 281 of 2023.

Designated Cross File: HB 486 (Delegate Fair, et al.) - Environment and Transportation.

Information Source(s): Office of the Attorney General; Judiciary (Administrative Office of the Courts); Maryland Department of the Environment; Maryland Department of Labor; Department of Legislative Services

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Fiscal Note History:	
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First Reader - January 25, 2024 Third Reader - March 21, 2024 Revised - Amendment(s) - March 21, 2024 Enrolled - April 26, 2024 Revised - Amendment(s) - April 26, 2024

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