

# HOUSE BILL 1043

L5

4lr0595

---

By: **Prince George's County Delegation**

Introduced and read first time: February 6, 2014

Assigned to: Environmental Matters

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County – Deferred Water and Sewer Charges Homeowner**  
3 **Disclosure Act of 2014**

4 **PG 413–14**

5 FOR the purpose of requiring a registered home builder in Prince George's County to  
6 include certain information relating to deferred water and sewer charges in  
7 certain sales contracts under certain circumstances; requiring a certain contract  
8 of sale in the county to include certain information relating to deferred water  
9 and sewer charges; authorizing the purchaser to recover certain damages or  
10 take certain actions under certain circumstances; prohibiting a person in the  
11 county that is incurring certain water and sewer costs from amortizing costs  
12 passed on to a purchaser for more than a certain period of time; requiring a  
13 certain person that imposes a deferred water and sewer charge to provide the  
14 property owner with a bill including certain information; authorizing the  
15 balance owed on a deferred water and sewer assessment to be redeemed for a  
16 certain amount; authorizing a sales contract in the county to include the total  
17 amount of certain deferred water and sewer charges in the price of certain  
18 property; requiring the county to study certain issues relating to deferred water  
19 and sewer charges and report its findings to the Prince George's County  
20 Senators and the House Delegation on or before a certain date; authorizing the  
21 county, in completing the studies required under this Act, to consult with  
22 certain water and sewer companies; and generally relating to deferred water  
23 and sewer charges in Prince George's County.

24 BY repealing and reenacting, with amendments,  
25 Article – Business Regulation  
26 Section 4.5–603  
27 Annotated Code of Maryland  
28 (2010 Replacement Volume and 2013 Supplement)

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,  
2 Article – Real Property  
3 Section 14–117(b) and (c)  
4 Annotated Code of Maryland  
5 (2010 Replacement Volume and 2013 Supplement)

6 BY adding to  
7 Article – Real Property  
8 Section 14–117.1 and 14–117.2  
9 Annotated Code of Maryland  
10 (2010 Replacement Volume and 2013 Supplement)

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

13 **Article – Business Regulation**

14 4.5–603.

15 A registrant shall include in any contract for the initial sale of a new home the  
16 information required under § [14–117(j)] **14–117(B)(3) AND (J)** of the Real Property  
17 Article, **IF APPLICABLE**.

18 **Article – Real Property**

19 14–117.

20 (b) (1) In this subsection, “water and sewer authority” includes a person  
21 to which the duties and responsibilities of the Washington Suburban Sanitary  
22 Commission have been delegated by a written agreement or in accordance with a local  
23 ordinance.

24 (2) A contract for the initial sale of improved, residential real property  
25 to a member of the public who intends to occupy or rent the property for residential  
26 purposes shall disclose the estimated cost, as established by the appropriate water and  
27 sewer authority, of any deferred water and sewer charges for which the purchaser may  
28 become liable.

29 **(3) IN PRINCE GEORGE’S COUNTY, A CONTRACT FOR THE SALE**  
30 **OF RESIDENTIAL REAL PROPERTY FOR WHICH THERE ARE DEFERRED PRIVATE**  
31 **WATER AND SEWER ASSESSMENTS RECORDED BY A COVENANT OR**  
32 **DECLARATION DEFERRING COSTS FOR WATER AND SEWER IMPROVEMENTS FOR**  
33 **WHICH THE PURCHASER MAY BE LIABLE SHALL CONTAIN A DISCLOSURE THAT**  
34 **INCLUDES:**

1                   **(I) THE EXISTENCE OF THE DEFERRED PRIVATE WATER**  
2 **AND SEWER ASSESSMENTS;**

3                   **(II) THE AMOUNT OF THE ANNUAL ASSESSMENT;**

4                   **(III) THE APPROXIMATE NUMBER OF YEARS REMAINING ON**  
5 **THE ASSESSMENT;**

6                   **(IV) THE AMOUNT REMAINING ON THE ASSESSMENT,**  
7 **INCLUDING INTEREST;**

8                   **(V) THE NAME AND ADDRESS OF THE PERSON MOST**  
9 **RECENTLY RESPONSIBLE FOR COLLECTION OF THE ASSESSMENT;**

10                   **(VI) THE INTEREST RATE ON THE ASSESSMENT;**

11                   **(VII) THE PAYOFF AMOUNT OF THE ASSESSMENT; AND**

12                   **(VIII) A STATEMENT THAT PAYOFF OF THE ASSESSMENT IS**  
13 **ALLOWED WITHOUT PENALTY.**

14                   **(4)** If the appropriate water and sewer authority has not established a  
15 schedule of charges for the water and sewer project that benefits the property or if a  
16 local jurisdiction has adopted a plan to benefit the property in the future, the contract  
17 of sale shall disclose that fact.

18                   (c) **(1)** Violation of subsection [(b)] **(B)(2) OR (4)** of this section entitles  
19 the initial purchaser to recover from the seller:

20                   [(1)] **(I)** Two times the amount of deferred charges the purchaser  
21 would be obligated to pay during the 5 years of payments following the sale;

22                   [(2)] **(II)** No amount greater than actually paid thereafter; and

23                   [(3)] **(III)** Any deposit moneys actually paid by the purchaser that  
24 were lost as a result of A violation of subsection [(b)] **(B)(2) OR (4)** of this section.

25                   **(2) VIOLATION OF SUBSECTION (B)(3) OF THIS SECTION**  
26 **ENTITLES THE PURCHASER TO:**

27                   **(I) RECOVER FROM THE SELLER THE TOTAL AMOUNT OF**  
28 **DEFERRED CHARGES THE PURCHASER WILL BE OBLIGATED TO PAY FOLLOWING**  
29 **THE SALE;**

1                   **(II) RECOVER FROM THE SELLER ANY MONEY ACTUALLY**  
2 **PAID BY THE PURCHASER ON THE DEFERRED CHARGE THAT WAS LOST AS A**  
3 **RESULT OF A VIOLATION OF SUBSECTION (B)(3) OF THIS SECTION; AND**

4                   **(III) IF THE VIOLATION IS DISCOVERED BEFORE**  
5 **SETTLEMENT, RESCIND THE REAL ESTATE CONTRACT WITHOUT PENALTY.**

6 **14-117.1.**

7           **(A) THIS SECTION APPLIES ONLY TO SALES OF SINGLE-FAMILY**  
8 **RESIDENTIAL PROPERTY IN PRINCE GEORGE'S COUNTY IMPROVED BY FOUR OR**  
9 **FEWER SINGLE-FAMILY UNITS.**

10           **(B) A PERSON INCURRING WATER AND SEWER COSTS MAY NOT**  
11 **AMORTIZE COSTS THAT ARE PASSED ON TO A PURCHASER BY IMPOSING A**  
12 **DEFERRED WATER AND SEWER CHARGE FOR A PERIOD LONGER THAN 20 YEARS**  
13 **AFTER THE DATE OF THE INITIAL SALE.**

14           **(C) A PERSON THAT IMPOSES A DEFERRED WATER AND SEWER CHARGE**  
15 **SHALL INCLUDE WITH EACH BILL A STATEMENT THAT INCLUDES:**

16                   **(1) THE AMOUNT OF THE ANNUAL ASSESSMENT;**

17                   **(2) THE APPROXIMATE NUMBER OF YEARS REMAINING ON THE**  
18 **ASSESSMENT;**

19                   **(3) THE AMOUNT REMAINING ON THE ASSESSMENT, INCLUDING**  
20 **INTEREST;**

21                   **(4) THE NAME AND ADDRESS OF THE PERSON MOST RECENTLY**  
22 **RESPONSIBLE FOR COLLECTION OF THE ASSESSMENT;**

23                   **(5) THE METHOD USED TO COMPUTE THE DEFERRED WATER AND**  
24 **SEWER CHARGE ON THE PROPERTY;**

25                   **(6) THE INTEREST RATE ON THE ASSESSMENT;**

26                   **(7) THE PAYOFF AMOUNT OF THE ASSESSMENT; AND**

27                   **(8) A STATEMENT THAT PAYOFF OF THE ASSESSMENT IS**  
28 **ALLOWED WITHOUT PENALTY.**

1           **(D) THE BALANCE OWED ON A DEFERRED WATER AND SEWER**  
2 **ASSESSMENT MAY BE REDEEMED AT THE PRESENT VALUE OF THE ASSESSMENT.**

3 **14-117.2.**

4           **(A) THIS SECTION APPLIES ONLY TO SALES OF SINGLE-FAMILY**  
5 **RESIDENTIAL PROPERTY IN PRINCE GEORGE'S COUNTY IMPROVED BY FOUR OR**  
6 **FEWER SINGLE-FAMILY UNITS.**

7           **(B) A SALES CONTRACT MAY INCLUDE THE TOTAL AMOUNT OF**  
8 **DEFERRED WATER AND SEWER CHARGES THAT A PURCHASER WOULD BE**  
9 **REQUIRED TO PAY AFTER THE DATE OF THE SALE IN THE PRICE OF THE**  
10 **PROPERTY BEING SOLD.**

11           SECTION 2. AND BE IT FURTHER ENACTED, That:

12           (a) Prince George's County shall study:

13                   (1) the feasibility of establishing a centralized clearinghouse for the  
14 registration of deferred water and sewer charges by private developers, including the  
15 feasibility of requiring recordation of deferred water and sewer charges in the county  
16 land records;

17                   (2) methods to certify the accuracy of deferred water and sewer  
18 charges imposed by private developers; and

19                   (3) methods to audit previously imposed deferred water and sewer  
20 charges.

21           (b) To complete the studies required under subsection (a) of this section,  
22 Prince George's County may consult with any water and sewer company operating  
23 within the county.

24           (c) On or before December 1, 2014, Prince George's County shall report its  
25 findings to the Prince George's County Senators and the House Delegation, in  
26 accordance with § 2-1246 of the State Government Article.

27           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 October 1, 2014.