HOUSE BILL 1069

By: Delegate Stewart
Introduced and read first time: February 5, 2021
Assigned to: Environment and Transportation
Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 10, 2021

CHAPTER _____

AN ACT concerning

Water Supply – Private Well Safety Program

FOR the purpose of establishing the Private Well Safety Program in the Department of the Environment; establishing the Private Well Safety Fund as a special, nonlapsing fund; specifying the purpose of the Program and the Fund; requiring the Secretary of the Environment to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; establishing certain qualifications for certain counties to receive a certain grant under the Fund; requiring certain counties that are grant recipients to report certain information to the Department of the Environment; requiring the Department of the Environment, in consultation with the Maryland Department of Health, to establish a certain well surveillance program and to provide certain notices; requiring the Department of the Environment to utilize a certain portal to receive records of certificates of potability and results of certain water quality testing; requiring a county and a certain State certified laboratory to upload certain information to a certain portal in a certain manner; requiring an owner of residential rental property that is served by a private water supply well to provide water quality testing in a certain manner and to disclose to a tenant certain results; requiring a vendor of residential real property that is served by a private water supply well to deliver to each purchaser, on or before a certain time, the results of a certain water quality test; establishing a certain special transfer tax payable for certain instruments of writing; requiring certain instruments of writing to be accompanied by a certain statement; requiring the State Department of Assessments and Taxation to deduct and credit a certain special transfer tax to the Fund; requiring the Department of the Environment to report to

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.
the General Assembly on or before a certain date; requiring the Department of the
Environment and counties to engage in certain outreach for certain purposes in a
certain manner; authorizing the Department of the Environment to adopt certain
regulations; defining certain terms; requiring an owner of residential rental property
that is served by a private water supply well to notify a tenant under certain
circumstances; requiring an owner of residential rental property that is served by a
private water supply well to notify the Department of the Environment and the local
health department about well contamination and address the contamination under
certain circumstances and in a certain manner; providing for the application of
certain provisions of this Act; and generally relating to water supply and private well
safety.

BY adding to

Article – Environment
Section 9–4A–01 through 9–4A–16 to be under the new subtitle “Subtitle 4A. Private
Well Safety Program”
Annotated Code of Maryland
(2014 Replacement Volume and 2020 Supplement)

BY adding to

Article – Real Property
Section 10–711
Annotated Code of Maryland
(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property
Section 13–201, 13–202, 13–203(a), and 13–209(a)
Annotated Code of Maryland
(2019 Replacement Volume and 2020 Supplement)

BY adding to

Article – Tax – Property
Section 13–204.1
Annotated Code of Maryland
(2019 Replacement Volume and 2020 Supplement)

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

Article – Environment

SUBTITLE 4A. PRIVATE WELL SAFETY PROGRAM.

PART I. DEFINITIONS.

9–4A–01.
(A) In this subtitle the following words have the meanings indicated:

(B) “Covered household” means one or more individuals that reside at a property that is served by a private water supply well.

(C) “Fund” means the Private Well Safety Fund.

(D) “Harmful level of radon” means a level of radon at or above 4 picocuries per liter.

(E) “Hotspot” means:

1. A private water supply well that contains a substance that exceeds, by more than twice, the maximum contaminant level for that substance in two or more consecutive tests; or

2. A zip code where at least 50% of the water quality testing completed within the past 2 years detected a substance that exceeds the maximum contaminant level for that substance.

(F) “Maximum contaminant level” means a standard that is:

1. Set by the U.S. Environmental Protection Agency for drinking water quality; and

2. The legal threshold limit on the amount of a substance that is allowed in a public water system under the federal Safe Drinking Water Act.

(G) “Program” means the Private Well Safety Program.

(H) (1) “Water quality testing” means water quality testing of a private water supply well.

2. “Water quality testing” includes testing for:

1. Total coliform bacteria;

2. Nitrates;

3. Total dissolved solids;

4. pH levels;
(v) Harmful levels of radon; or
(vi) Harmful levels of any other contaminant, as determined by the Department.

9–4A-02. Reserved.

9–4A-03. Reserved.

Part II. Program and Fund.

9–4A-04.

(A) There is a Private Well Safety Program in the Department.

(B) The purpose of the Program is to address and manage the contamination of private water supply wells in the State.

9–4A-05.

(A) There is a Private Well Safety Fund.

(B) The purpose of the Fund is to implement the Program.

(C) The Secretary shall administer the Fund.

(D) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(E) The Fund consists of:

(1) Revenue distributed to the Fund under § 13–209 of the Tax–Property Article;

(2) Money appropriated in the State budget to the Fund; and

(3) Any other money from any other source accepted for the benefit of the Fund.

(F) The Fund may be used only for:
(1) Implementing the Program established under this subtitle;

(2) Providing grants to counties for distribution to covered households to assist with the costs associated with:

(i) Water quality testing kits and analysis; and

(ii) Well remediation, including:

1. The costs associated with replacing, reconstructing, or treating a well when water quality testing detects:

   A. A substance exceeds the maximum contaminant level for that substance;

   B. A harmful level of radon; or

   C. A harmful level of any other contaminant, as determined by the Department; and

2. The costs associated with an action taken to prevent a septic system from further contaminating drinking water sources; and

(3) Providing grants to a covered household to provide the assistance authorized under item (2) of this subsection if the household is located in a county that has not received grant money from the Fund.

(G) The Department shall establish a grant application process for providing a grant in accordance with this part that prioritizes:

(1) Areas with the highest percentage of covered households and the highest percentage of low-income residents; and

(2) Households with a pregnant individual or infant under the age of 6 months.

(H) The Department shall:

(1) Provide notice of the Program and Fund to each county; and
(2) Publish information on the Program and Fund on its website, including information on the availability of funding.

(1) A covered household may not receive grant money under this section more than once a year.

9–4A–06.

A county is qualified to receive a grant in accordance with this part if the county agrees to engage in outreach activities:

(1) To educate county residents on the existence and purpose of the Program and Fund and on the importance of annually testing well water for contaminants; and

(2) That, at a minimum, include:

(i) Publishing information on the county’s website;

(ii) Providing information to residents over the telephone when a resident calls the county about well testing or remediation or the Program; and

(iii) Providing notice on the process for obtaining a certificate of potability for a private water supply well.

9–4A–07.

A county that received a grant in accordance with this part shall submit an annual report to the Department, in a manner required by the Department, that provides the following information:

(1) The locations of covered households that received grant money under the Fund; and

(2) The dollar amount of grant money awarded to each household.

9–4A–08. Reserved.

9–4A–09. Reserved.

Part III. Miscellaneous.

9–4A–10.
(A) The Department shall utilize an existing portal, such as the Department of Information Technology's open data portal:

(1) (i) To receive records of certificates of potability;

and

(ii) To receive results of water quality testing from State-certified laboratories; and

(2) To provide public access to the information received under item (1) of this subsection in a manner that is easy to use and categorized by county.

(B) A county shall upload records of certificates of potability and, on a monthly basis, upload any new records, unless the county has established a process for residents to upload the records.

(C) A State-certified laboratory that conducts water quality testing of a private water supply well shall, on a regular basis, upload the results of the testing to the portal utilized by the Department under subsection (A) of this section.

9-4A-11.

(A) (1) The Department, in consultation with the Maryland Department of Health, shall establish a well surveillance program under which the appropriate unit of county government conducts field sampling and surveys of private water supply wells in and around areas of known or suspected contamination.

(2) The well surveillance program shall prioritize areas with a high concentration of private water supply wells.

(B) (1) If well surveillance conducted under this section indicates that a private water supply well or zip code is a hotspot, the Department shall provide notice to the Maryland Department of Health.

(2) The Maryland Department of Health shall provide notice of a hotspot to the owner of an impacted well.

9-4A-12.
On or before December 1, 2022, and each December 1 thereafter, the Department shall report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on the data and information gathered under the Program, including:

1. The total number of water quality tests conducted under the Program that detected a substance that exceeds the maximum contaminant level for that substance, categorized by county and zip code;

2. The number of water quality tests conducted within the previous 12-month period that detected a substance that exceeds the maximum contaminant level for that substance, categorized by county and zip code; and

3. The location of hotspots or other areas of known contamination and other relevant information related to the well surveillance program established under § 9–4A–11 of this subtitle.

The Department may adopt regulations to carry out this subtitle.


Part IV. Testing and Disclosure Requirements for Rental Property.

9–4A–16. 9–4A–01.

(A) An owner of residential rental property that is served by a private water supply well shall:

1. Provide for water quality testing every 3 years; and

2. Disclose to a tenant the results of the water quality testing; and

3. Notify a tenant:

   1. After any water quality test required under item (1) of this subsection is complete; and
(II) Of the most recent water quality test when they sign a lease.

(B) (1) The requirements of this subsection apply when a private water supply well is contaminated by a substance that exceeds:

   (i) The maximum contaminant level for that substance that is set by the U.S. Environmental Protection Agency for drinking water quality; or

   (ii) A harmful level for that substance, as determined by the Department.

(2) When a water quality test reveals a private water supply well is contaminated, the owner of a residential rental property that is served by the well shall:

   (i) Notify the Department and the local health department about the contamination;

   (ii) Provide an approved potable water supply until the contamination is permanently remediated; and

   (iii) Within 60 days of the date on which the owner knew of the contamination, resolve the contamination.

Article—Real Property

10–711.

A vendor of residential real property that is served by a private water supply well shall, on or before entering a contract for the sale of the property, deliver to each purchaser the results of a water quality test for the well that:

(1) was conducted by a state-certified laboratory within the previous 12-month period; and

(2) reports, at a minimum:

   (i) Total coliform bacteria;

   (ii) Nitrates;

   (iii) Total dissolved solids;
(iv) PH levels; and

(v) if at or above 4 picocuries per liter, radon.

Article—Tax—Property

13–201.

In this subtitle, “transfer tax”:

(1) means the tax imposed under this subtitle; AND

(2) includes the special transfer tax imposed under § 13–202(b) of this subtitle.


(A) Except as otherwise provided in this subtitle, a transfer tax is imposed on an instrument of writing:

(1) recorded with the clerk of the circuit court for a county; or

(2) filed with the Department and described in § 12–103(d) of this article.

(B) In addition to the tax imposed under subsection (A) of this section, a special transfer tax is imposed on an instrument of writing:

(1) to convey title to, or a leasehold interest in, residential real property served by a private water supply well; and

(2) recorded with the clerk of the circuit court for a county.

13–203.

(a) (1) (I) Except as provided in subsections (a–1) and (b) of this section, the rate of the transfer tax imposed under § 13–202(a) of this subtitle is 0.5% of the consideration payable for the instrument of writing.

(ii) The rate of the special transfer tax imposed under § 13–202(b) of this subtitle is 0.0231% of the consideration payable for the instrument of writing.

(2) The consideration:
(i) includes the amount of any mortgage or deed of trust assumed by the grantee; and
(ii) subject to item (i) of this paragraph, includes only the amount paid or delivered in return for the sale of the property and does not include the amount of any debt forgiven or no longer secured by a mortgage or deed of trust on the property.

13–204.1.

(A) AN INSTRUMENT OF WRITING THAT CONVEYS TITLE TO, OR A LEASEHOLD INTEREST IN, RESIDENTIAL REAL PROPERTY SERVED BY A PRIVATE WATER SUPPLY WELL SHALL BE ACCOMPANIED BY A STATEMENT UNDER OATH ATTESTING TO THE FACT THAT THE PROPERTY IS RESIDENTIAL PROPERTY SERVED BY A PRIVATE WATER SUPPLY WELL.

(B) THE STATEMENT REQUIRED UNDER THIS SECTION SHALL BE SIGNED BY A PARTY TO THE INSTRUMENT OR BY AN AGENT OF A PARTY.

13–209.

(a) (1) Before any other distribution under this section, in any fiscal year that bonds secured by a pledge of the State transfer tax are outstanding, the revenue from the transfer tax shall be used to pay, as and when due, the principal of and interest on the bonds.

(2) The Department shall deduct the cost of administering the transfer tax from the taxes collected under this title and credit those revenues to the fund established under § 1–203.3 of the Corporations and Associations Article.

(3) The Department shall deduct all special transfer tax revenue from the taxes collected under § 13–203(a)(1)(II) of this subtitle and credit those revenues to the Private Well Safety Fund established under § 9–4A–05 of the Environment Article.

[(3)] (4) Except as provided in paragraph [(4)] (5) of this subsection, after deducting the revenues required under paragraphs (1) [and], (2), AND (3) of this subsection, the revenue from transfer tax is payable to the Comptroller for deposit in a special fund.

[(4)] (5) In any fiscal year in which transfer tax revenue is used to pay debt service on outstanding bonds under paragraph (1) of this subsection, the distribution of revenues in the special fund under this section and as specified in § 5–903(a)(2)(i)1A of the Natural Resources Article, for State land acquisition, or to the Agricultural Land Preservation Fund to the extent any debt service is attributable to that Fund, shall be reduced by an amount equal to the debt service for the fiscal year.
SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Department of the Environment shall engage in outreach activities to provide information on the Private Well Safety Program established under Title 9,Subtitle 4A of the Environment Article, as enacted by Section 1 of this Act, including:

(1) incorporating information about the Program in communications with other public health outreach programs administered by the Department, including any information the Department has published on its website related to private water supply wells; and

(2) publishing a Well Owner Handbook on the Department’s website and in print.

(b) In conducting an outreach activity under this section or Section 1 of this Act, the Department and a county shall:

(1) provide information to research and medical communities, realtor associations, community based organizations, schools, local public health agencies, and any other relevant sector; and

(2) ensure information is provided in a manner that accommodates residents of a community who:

(i) lack access to the Internet, including by publishing notices in a newspaper commonly circulated in the community;

(ii) are limited English proficient; or

(iii) have a disability.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2021.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.