

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 281 (Delegate Fair)
Environment and Transportation

Residential Property - Sales Contracts - Disclosures

This bill requires a contract of sale for residential real property located within 0.5 miles of a site listed on the Superfund Enterprise Management System (SEMS) to include a notice, signed by the homeowner, disclosing the proximity of the property to a site listed on SEMS, to be initialed by the buyer. A contract subject to these provisions may not be voided solely because the required notice is not included in the contract, or the buyer does not initial the notice.

Fiscal Summary

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

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

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 the U.S. Environmental Protection Agency (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 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.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 485 (Senator Lewis Young) - Judicial Proceedings.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Department of Housing and Community Development; Department of Legislative Services

Fiscal Note History: First Reader - February 12, 2023
km/jkb

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