

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 485

(Senator Lewis Young)

Judicial Proceedings

Environment and Transportation

Frederick County - Residential Property Sales - Contract Disclosures

This bill requires, in Frederick County only, a contract for the sale of residential real property located within 0.5 miles of a National Priorities List (NPL) Superfund site to include an addendum disclosing (1) identification of the Superfund site and its proximity to the property; (2) the definition of a NPL Superfund site under U.S. Environmental Protection Agency (EPA) guidelines; and (3) information about a specified EPA website. The addendum must be provided and signed by the seller and initialed by the buyer. If a buyer enters into a purchase or construction contract that does not include an addendum as required under the bill, the buyer may void the contract and, on rescission of the contract, be entitled to a refund of any money paid to the seller or builder.

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 Frederick County 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 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

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

Designated Cross File: HB 281 (Delegate Fair) - Environment and Transportation.

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 - March 2, 2023
js/jkb Third Reader - April 10, 2023
Revised - Amendment(s) - April 10, 2023

Analysis by: Donovan A. Ham

Direct Inquiries to:
(410) 946-5510
(301) 970-5510