

HOUSE BILL 747

M3, N1

5lr2277

By: **Delegate Guyton**

Introduced and read first time: January 27, 2025

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 6, 2025

CHAPTER _____

1 AN ACT concerning

2 **Environment – On-Site Wastewater Systems – Requirements for Inspection and**
3 **Pumping Services and Extension of Sunset and Implementation Dates**

4 FOR the purpose of requiring a landlord of property that is served by a certain on-site
5 wastewater system to ensure, on or before a certain date and before each new tenant
6 occupies the property thereafter, that the system has been inspected and pumped
7 out in a certain manner; requiring a contract for the sale of certain real property that
8 is served by an on-site wastewater system, beginning on a certain date, to include a
9 provision requiring, as a condition of the sale, that the purchaser has ensured that
10 the system has been inspected and pumped out in a certain manner, subject to
11 certain exceptions; requiring a landlord or an owner of property to notify a certain
12 delegated approval authority of certain information regarding a failing on-site
13 sewage disposal system under certain circumstances; extending the termination date
14 for certain provisions of law establishing and requiring an on-site wastewater
15 property transfer inspection license under certain circumstances; extending certain
16 dates by which the Department of the Environment is required to adopt certain
17 regulations and by which certain individuals are required to be licensed by the State
18 Board of On-Site Wastewater Professionals; and generally relating to on-site
19 wastewater systems.

20 BY repealing and reenacting, without amendments,
21 Article – Environment
22 Section 9–11A–01(a) and (e)
23 Annotated Code of Maryland
24 (2014 Replacement Volume and 2024 Supplement)

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.



1 BY adding to
 2 Article – Real Property
 3 Section 8–121 and 10–715
 4 Annotated Code of Maryland
 5 (2023 Replacement Volume and 2024 Supplement)

6 BY repealing and reenacting, without amendments,
 7 Chapter 419 of the Acts of the General Assembly of 2022
 8 Section 3

9 BY repealing and reenacting, with amendments,
 10 Chapter 419 of the Acts of the General Assembly of 2022
 11 Section 6 through 8

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

14 **Article – Environment**

15 9–11A–01.

16 (a) In this subtitle the following words have the meanings indicated.

17 (e) (1) “On–site wastewater system” means:

18 (i) A wastewater system designed to treat and dispose of effluent on:

19 1. The same property that produces the wastewater; or

20 2. An easement; or

21 (ii) A holding tank.

22 (2) Except as provided in paragraph (3) of this subsection, “on–site
 23 wastewater system” includes a septic or any other on–site sewage disposal system.

24 (3) “On–site wastewater system” does not include a wastewater treatment
 25 system that:

26 (i) Requires a discharge permit from the Department; or

27 (ii) Treats 5,000 or more gallons per day.

28 **Article – Real Property**

29 **8–121.**

1 ~~(A) IN THIS SECTION, “ON-SITE WASTEWATER SYSTEM” HAS THE MEANING~~
2 ~~STATED IN § 9-11A-01 OF THE ENVIRONMENT ARTICLE.~~

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (2) “DELEGATED APPROVAL AUTHORITY” MEANS THE LOCAL
6 HEALTH DEPARTMENT OR COUNTY AGENCY THAT HAS RECEIVED AN ON-SITE
7 SEWAGE DISPOSAL SYSTEM DELEGATION OF AUTHORITY BY THE DEPARTMENT.

8 (3) “ON-SITE WASTEWATER SYSTEM” HAS THE MEANING STATED IN §
9 9-11A-01 OF THE ENVIRONMENT ARTICLE.

10 (B) ON OR BEFORE ~~JANUARY 1, 2026~~ JULY 1, 2028, AND BEFORE EACH NEW
11 TENANT OCCUPIES THE PROPERTY THEREAFTER, A LANDLORD OF PROPERTY THAT
12 IS SERVED BY AN ON-SITE WASTEWATER SYSTEM SHALL ENSURE THAT THE SYSTEM
13 HAS BEEN:

14 (1) INSPECTED BY AN INDIVIDUAL WHO IS LICENSED UNDER TITLE 9,
15 SUBTITLE 11A OF THE ENVIRONMENT ARTICLE TO PERFORM PROPERTY TRANSFER
16 INSPECTIONS FOR ON-SITE WASTEWATER SYSTEMS; AND

17 (2) PUMPED OUT BY AN INDIVIDUAL WHO IS LICENSED UNDER TITLE
18 9, SUBTITLE 11A OF THE ENVIRONMENT ARTICLE TO PERFORM PUMPING SERVICES
19 FOR ON-SITE WASTEWATER SYSTEMS.

20 (C) FOR PURPOSES OF MEETING THE REQUIREMENTS UNDER SUBSECTION
21 (B) OF THIS SECTION, A PROPERTY TRANSFER INSPECTION OR PUMPING SERVICE
22 PERFORMED IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION IS VALID FOR
23 3 YEARS.

24 (D) IF AN INSPECTION UNDER THIS SECTION IDENTIFIES A FAILING ON-SITE
25 WASTEWATER SYSTEM, THE LANDLORD OF THE PROPERTY SHALL NOTIFY THE
26 DELEGATED APPROVAL AUTHORITY:

27 (1) ABOUT THE FAILURE; AND

28 (2) WHEN THE SYSTEM IS FIXED.

29 10-715.

30 ~~(A) IN THIS SECTION, “ON-SITE WASTEWATER SYSTEM” HAS THE MEANING~~
31 ~~STATED IN § 9-11A-01 OF THE ENVIRONMENT ARTICLE.~~

1 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 2 INDICATED.

3 (2) “DELEGATED APPROVAL AUTHORITY” MEANS THE LOCAL
 4 HEALTH DEPARTMENT OR COUNTY AGENCY THAT HAS RECEIVED AN ON-SITE
 5 SEWAGE DISPOSAL SYSTEM DELEGATION OF AUTHORITY BY THE DEPARTMENT.

6 (3) “ON-SITE WASTEWATER SYSTEM” HAS THE MEANING STATED IN §
 7 9-11A-01 OF THE ENVIRONMENT ARTICLE.

8 (B) THE REQUIREMENTS OF THIS SECTION DO NOT APPLY IF:

9 (1) (I) 1. THE PROPERTY TRANSFER INVOLVES THE TRANSFER
 10 OF RESIDENTIAL REAL PROPERTY THAT IS BETWEEN:

11 ~~1.~~ A. CURRENT SPOUSES;

12 ~~2.~~ B. A PARENT AND A CHILD; OR

13 ~~3.~~ C. SIBLINGS, BY WHOLE BLOOD, IF THE PROPERTY
 14 IS HELD IN TRUST;

15 ~~(II)~~ 2. THE PROPERTY’S MORTGAGE IS BEING REFINANCED;
 16 OR

17 ~~(III)~~ 3. THE CHANGE IN OWNERSHIP OR FORM OF
 18 OWNERSHIP DOES NOT INVOLVE THE INTRODUCTION OF NEW PARTIES; AND

19 ~~(2)~~ (II) THE ON-SITE WASTEWATER SYSTEM HAS BEEN INSPECTED
 20 WITHIN THE IMMEDIATELY PRECEDING 5-YEAR PERIOD; OR

21 (2) THE PROPERTY TRANSFER IS THE INITIAL TRANSFER AFTER
 22 CONSTRUCTION OF THE PROPERTY.

23 (C) (1) BEGINNING ~~JANUARY 1, 2026~~ JULY 1, 2028, A CONTRACT FOR
 24 THE SALE OF REAL PROPERTY THAT IS SERVED BY AN ON-SITE WASTEWATER
 25 SYSTEM SHALL INCLUDE A PROVISION REQUIRING, AS A CONDITION OF THE SALE,
 26 THAT THE PURCHASER ENSURE THAT THE SYSTEM HAS BEEN:

27 (I) INSPECTED BY AN INDIVIDUAL WHO IS LICENSED UNDER
 28 TITLE 9, SUBTITLE 11A OF THE ENVIRONMENT ARTICLE TO PERFORM PROPERTY
 29 TRANSFER INSPECTIONS FOR ON-SITE WASTEWATER SYSTEMS; AND

1 (II) PUMPED OUT BY AN INDIVIDUAL WHO IS LICENSED UNDER
 2 TITLE 9, SUBTITLE 11A OF THE ENVIRONMENT ARTICLE TO PERFORM PUMPING
 3 SERVICES FOR ON-SITE WASTEWATER SYSTEMS.

4 (2) (I) SETTLEMENT ON THE CONTRACT FOR THE SALE OF THE
 5 REAL PROPERTY MAY NOT OCCUR UNTIL THE VENDOR AND THE PURCHASER
 6 RECEIVE A REPORT ON THE PROPERTY TRANSFER INSPECTION PERFORMED UNDER
 7 PARAGRAPH (1)(I) OF THIS SUBSECTION AND CONFIRMATION OF THE PUMPING
 8 SERVICE PERFORMED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION.

9 (II) AT SETTLEMENT ON THE CONTRACT FOR THE SALE OF THE
 10 REAL PROPERTY, THE VENDOR AND THE PURCHASER SHALL EACH CERTIFY IN
 11 WRITING THAT THEY HAVE RECEIVED AND REVIEWED THE REPORT AND
 12 CONFIRMATION REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

13 ~~(C)~~ (D) UNLESS OTHERWISE REQUIRED AS PART OF A REAL ESTATE
 14 CONTRACT OR MORTGAGE REQUIREMENT, FOR PURPOSES OF MEETING THE
 15 REQUIREMENTS UNDER SUBSECTION ~~(B)(1)~~ (C)(1) OF THIS SECTION, A PROPERTY
 16 TRANSFER INSPECTION OR PUMPING SERVICE PERFORMED IN ACCORDANCE WITH
 17 SUBSECTION ~~(B)(1)~~ (C)(1) OF THIS SECTION IS VALID FOR 3 YEARS.

18 (E) IF AN INSPECTION UNDER THIS SECTION IDENTIFIES A FAILING ON-SITE
 19 WASTEWATER SYSTEM, THE OWNER OF THE PROPERTY SHALL NOTIFY THE
 20 DELEGATED APPROVAL AUTHORITY:

21 (1) ABOUT THE FAILURE; AND

22 (2) WHEN THE SYSTEM IS FIXED.

23 Chapter 419 of the Acts of 2022

24 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 25 as follows:

26 Article – Environment

27 [9-217.2.

28 (a) In this section, “license holder” means an individual who holds a valid on-site
 29 wastewater property transfer inspection license issued by the Department under this
 30 section.

31 (b) This section does not apply to an individual who inspects an on-site sewage
 32 disposal system as a part of the individual’s duties as an employee of the federal
 33 government, the State, or any local government of the State.

1 (c) On or after July 1, 2022, an individual may not engage in the business of
2 inspecting an on-site sewage disposal system unless the individual holds a valid on-site
3 wastewater property transfer inspection license issued by the Department.

4 (d) (1) On or before January 1, 2022, the Department shall adopt regulations
5 establishing eligibility criteria, minimum training standards for on-site wastewater
6 property transfer inspection licenses, the frequency with which licenses must be renewed,
7 and the fees for license applications and renewals.

8 (2) The regulations adopted under this subsection shall require that:

9 (i) The training include instruction on determining whether an
10 on-site sewage disposal system is:

11 1. In need of replacement or repair; and

12 2. Not in compliance with statutory or regulatory
13 requirements; and

14 (ii) Each inspection performed by a license holder follows the
15 inspection format provided by the Department.

16 (e) An applicant for a license under this section shall:

17 (1) Submit an application to the Department on the form the Department
18 provides; and

19 (2) Pay an application fee set by the Department.

20 (f) (1) An individual who violates a provision of this section or any regulation
21 adopted under this section is subject to an administrative penalty not exceeding \$10,000.

22 (2) Each on-site sewage disposal system that an individual knowingly
23 inspects without a valid on-site wastewater property transfer inspection license constitutes
24 a separate violation of this section.

25 (3) Any administrative penalty collected by the Department under this
26 subsection shall be paid into the separate account within the Bay Restoration Fund
27 established under § 9-1605.2(h) of this title.

28 (g) A local government may establish additional requirements for inspections of
29 on-site sewage disposal systems.]

30 SECTION 6. AND BE IT FURTHER ENACTED, That, on or before July 1, [2025]
31 2027, the Department of the Environment, in consultation with the State Board of

1 On-Site Wastewater Professionals, shall adopt regulations to implement Section 2 of this
2 Act.

3 SECTION 7. AND BE IT FURTHER ENACTED, That, on or before July 1, [2026]
4 2028, all individuals who provide on-site wastewater services in the State shall be licensed
5 by the State Board of On-Site Wastewater Professionals.

6 SECTION 8. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take
7 effect June 30, [2025] 2027.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be
9 interpreted to limit a mortgage company or financial institution from requiring an
10 inspection of an on-site wastewater system as part of contract terms for the sale or transfer
11 of real property.

12 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 ~~October~~ June 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.