

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 747 (Delegate Guyton)
Environment and Transportation

Environment - On-Site Wastewater Systems - Requirements for Inspection and Pumping Services

This bill requires a landlord of property that is served by an on-site wastewater system, by January 1, 2026, and before each new tenant occupies the property thereafter, to ensure the system has been inspected and pumped out by a licensed individual, as specified. Beginning January 1, 2026, the bill also requires a contract for the sale of real property with an on-site wastewater system to include a provision requiring, as a condition of the sale, that the purchaser ensure the system has been inspected and pumped out by a licensed individual.

Fiscal Summary

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

Local Effect: Potential administrative costs and fee revenues for some local governments, as discussed below.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The inspections of an on-site wastewater system must be done by an individual licensed under Title 9, Subtitle 11A of the Environment Article to perform property transfer inspections for on-site wastewater systems. The pumping out of the system must be done by an individual who is licensed under Title 9, Subtitle 11A of the Environment Article to perform pumping services for on-site wastewater systems.

For purposes of meeting the requirements in regard to landlords, a property transfer inspection or pumping service performed in accordance with the requirements is valid for three years.

In regard to contracts for the sale of real property that is served by an on-site wastewater system, settlement on a contract may not occur until the vendor and the purchaser receive a report on the property transfer inspection and confirmation of the pumping service. At settlement, the vendor and purchaser must each certify in writing that they have received and reviewed the report and confirmation. Unless otherwise required as part of a real estate contract or mortgage, a property transfer inspection or pumping service performed in accordance with these requirements is valid for three years.

Current Law:

On-Site Wastewater System

“On-site wastewater system” means (1) a wastewater system designed to treat and dispose of effluent on the same property that produces the wastewater or on an easement or (2) a holding tank. The term includes a septic or any other on-site sewage disposal system. However, the term does not include a wastewater treatment system that requires a discharge permit from the Maryland Department of the Environment (MDE) or that treats 5,000 or more gallons per day.

Requirements for Contracts of Sale

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 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.

Local Fiscal Effect: MDE notes that some local health departments and environmental agencies may face increased administrative responsibilities to the extent that they oversee

wastewater system inspections. Local revenues in some jurisdictions may increase from inspection and permit fees. For example, Prince George's County advises that as a result of the bill, the county anticipates an increase in permits requested from property owners that fail inspection of on-site wastewater systems. The county anticipates revenues of approximately \$15,000 annually. The county also anticipates the need for one additional environmental health specialist to respond to complaints, plan review for the repair and remodeling of systems, and inspect installations. The cost associated with the position is approximately \$100,000 annually.

Howard County and the Maryland Association of Counties advise that the bill does not materially affect local finances or operations.

Small Business Effect: Small business landlords are subject to additional costs due to the bill's requirements for inspection and pumping of on-site wastewater systems. Licensed individuals performing wastewater system services may meaningfully benefit to the extent the bill increases demand.

Additional Information

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

Designated Cross File: None.

Information Source(s): Howard and Prince George's counties; Maryland Association of Counties; Judiciary (Administrative Office of the Courts); Maryland Department of the Environment; Department of Legislative Services

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Analysis by: Donovan A. Ham

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