

DAWN D. GILE  
CHAIR



PAMELA BEIDLE  
SHANEKA HENSON  
CLARENCE K. LAM  
JAMES ROSAPEPE  
BRYAN W. SIMONAIRE

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401  
ANNE ARUNDEL COUNTY DELEGATION

**Testimony in Support of SB 682 - Anne Arundel County - Community Sewerage Systems -  
Homeowners Association Control**

Mr. Chair, Madam Vice Chair, and Members of the Senate Education, Energy, and Environment Committee:

SB 682 authorizes a homeowner's association in Anne Arundel County to manage, operate, and maintain a shared facility or community sewerage system as a controlling authority if certain conditions are met; requiring the Maryland Environmental Service to take charge of and operate the shared facility or community sewerage system under certain circumstances.

**Background**

Senate Bill 682 arises out of an unsettled situation in the Southern Hills subdivision concerning the subdivision's private sewage disposal facility. Southern Hills, located in Davidsonville, is a 24-lot subdivision of high-end homes that were built circa 2015 on a reclaimed surface (sand and gravel) mine.

There is no public sewer in that area and due to the condition of the reclaimed land, the soil was not suitable for the installation of individual private septic systems. The developer (Southstar Ltd. Partnership) therefore proposed a private shared sewage disposal facility. These types of private communal systems are only permitted when there is a "controlling authority," which is, and I'll paraphrase, a governmental body empowered by the county or municipality to provide for management, operation, and continuous preventive and corrective maintenance of a shared facility.

Maryland Environmental Service (MES) agreed to serve as the controlling authority for the Southern Hills system, and Southstar and MES entered into a series of agreements to finalize that relationship. The Maryland Department of the Environment (MDE) approved this arrangement, and the shared facility was constructed and commenced operation with MES as the controlling authority.

The relationship between Southstar and MES soon became troubled, and disputes arose between MES and Southstar regarding the operation of the facility. These disputes are now in litigation so I am limited in what I can say about this. Due to these operational issues, the facility was shut down by MES in July 2024, and MDE and Southstar were informed of this decision. Thereafter, the sewage was pumped out of the facility and hauled away for disposal rather than being treated on site.

On April 25, 2025, MES sent the County a letter and a certification that MES was no longer in a position to provide for the operation and maintenance at the Facility. MES also stated it was withdrawing from its role as Controlling Authority.

In late summer of 2025, the system was brought back to operation by Southstar and is currently operating, albeit not in legal compliance since there is no controlling authority.

Under current law, a shared sewage disposal may not operate without a controlling authority, which must be a governmental body. The real issue is therefore the lack of any governmental body that is willing to continue to serve, or to take on the role of, controlling authority for this shared system.

### **Solution**

Senate Bill 682 offers a focused solution to the problems in Southern Hills. The Bill will have limited application as it only applies in Anne Arundel County and only to a shared facility in operation before January 1, 2026; the shared facility at Southern Hills is the one system that meets those criteria.

The Bill recognizes the unique financing structure set in place by the Southstar/MES covenants to finance the operation and maintenance of the shared system, which empowers the HOA to collect the necessary funds from the homeowners to operate the system.

The Bill also establishes a safety net for continued operation of the shared system in providing that MES will take over operation and maintenance of the system in the event the HOA is unable to do so. MES also has a financial backstop, in that State law requires the person ordered to fix the system (in this case, the HOA) to reimburse MES for costs incurred in the event of an MES takeover, then requires MDE to reimburse MES if the HOA fails to do so. In that instance, collection remedies against the HOA accrue to MDE for ultimate collection.

This private shared sewage disposal system is operated for, and benefits only, the residents of Southern Hills, with no public benefit to the residents (and utility fee payers) of Anne Arundel County. Authorizing the residents to operate, maintain, and control this system avoids bureaucratic pitfalls, delays, and costs and places control exactly where it should be – with the residents who will benefit from a cost-effective and environmentally safe shared sewage disposal solution.

### **Closing**

Finally, this legislation is structured such that all parties have a right of refusal. There is nothing mandatory about this bill, and everyone - MDE, MES, and the HOA - has to agree on a path forward.

For these reasons, I respectfully request a favorable report on SB 682.