



Gregory J. Swain, County Attorney

2660 Riva Road, 4th Floor
P.O. Box 6675
Annapolis, Maryland 21401
Phone: 410-222-7888
gregory.swain@aacounty.org

TESTIMONY ON HOUSE BILL 1424
Gregory J. Swain, County Attorney for Anne Arundel County

While Anne Arundel County is not a party to the various agreements between MES and the developer of Southern Hills, and is not, and never has been, the Controlling Authority for the shared sewage disposal system at issue, the County does have an interest in reaching a solution for the current stalemate.

This subdivision was approved by the County based on a statutory scheme that allowed the developer and MES to construct and maintain this shared sewage system. That scheme has fallen apart which led to several pending lawsuits, two of which include the County as a party. Underlying that legal situation are concerns over a potential environmental hazard from an improperly maintained or operated system, and the health of the residents and the habitability of the 24 homes serviced by this shared system.

House Bill 1424 offers a focused solution to these problems.

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. Importantly, the Bill offers an option, not a mandate.

The Bill recognizes the unique financing structure set in place by the Southstar/MES shared sewage system covenants, which are separate and apart from the standard HOA covenants. These covenants impose an assessment on each home to fund the operation and maintenance of the shared system and includes robust collection remedies, including lien rights for unpaid sewage system assessments, and a separate assessment for a sinking fund to be used for major system costs. It is extremely unlikely that the default to MES or the State bearing these costs would occur, but in any event, those remedies already exist under current law and are not established by this Bill,

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.