

114TH CONGRESS
1ST SESSION

S. 2405

To require the disclosure of information concerning the manufacture of
methamphetamine upon transfer or lease of covered housing.

IN THE SENATE OF THE UNITED STATES

DECEMBER 15, 2015

Mr. SCHUMER introduced the following bill; which was read twice and referred
to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the disclosure of information concerning the man-
ufacture of methamphetamine upon transfer or lease of
covered housing.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Meth Exposure to the
5 Home Disclosure Act” or the “METH Disclosure Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) since 2007, there has been a net increase in
9 methamphetamine laboratory incidents across the
10 United States, as the number of incidents has risen

1 from 6,858 in 2007 to 9,240 in 2014, with a peak
2 of 15,217 in 2010;

3 (2) 23 States have laws that require landlords
4 to inform new renters or potential buyers if a build-
5 ing was previously used as a methamphetamine lab,
6 but the Drug Enforcement Agency estimates that
7 only 5 percent of homes used to make methamphet-
8 amine in the United States are disclosed;

9 (3) research shows that for every pound of
10 methamphetamine created by a lab, 5 pounds of
11 toxic waste is produced, most of which becomes air-
12 borne and is subsequently absorbed by other objects,
13 such as carpets, furniture, drywall, and countertops;

14 (4) the toxic waste that does not become air-
15 borne can remain as residue in bathtubs, toilets,
16 sinks, and floors if it is spilled or not disposed of
17 properly, and without proper cleaning, these harmful
18 chemicals can remain in the affected buildings for
19 years;

20 (5) harmful methamphetamine by-products in-
21 clude propane fuel, lithium, sodium hydroxide, and
22 solvents like benzene, acetone, and hexane, all of
23 which can have negative and lasting effects on fami-
24 lies and children in particular;

1 (6) coming into contact with these substances
2 has been shown to cause dry mouth, nose bleeds,
3 respiratory issues, issues with the brain, liver, and
4 kidneys, birth defects, and reproductive problems;

5 (7) solvents like acetone can cause death, while
6 chronic inhalation of hexane can cause significant
7 damage to the central nervous system, and the by-
8 product benzene has been linked to anemia and leu-
9 kemia in adults as well as children;

10 (8) testing for methamphetamine and harmful
11 by-products of methamphetamine is relatively simple
12 and inexpensive;

13 (9) once a family or business has moved into an
14 affected building, properly cleaning and sterilizing
15 the building can cost up to \$10,000, and such an ex-
16 pense can represent a crippling and unexpected fi-
17 nancial burden on families and businesses in the
18 United States; and

19 (10) a law requiring landlords to disclose infor-
20 mation about the previous methamphetamine usage
21 of a building could prevent unnecessarily exposing
22 millions of people in the United States to potentially
23 lethal circumstances, and the Federal Government
24 must therefore take initiative on this issue to pre-

1 serve the health and financial stability of the people
2 of the United States.

3 **SEC. 3. DISCLOSURE OF INFORMATION CONCERNING THE**
4 **MANUFACTURE OF METHAMPHETAMINE**
5 **UPON TRANSFER OR LEASE OF COVERED**
6 **HOUSING.**

7 (a) DEFINITIONS.—In this section—

8 (1) the term “covered housing”—

9 (A) means any housing that is a dwelling
10 unit, including the grounds, outbuildings,
11 fences, structures, and, where applicable, com-
12 mon areas; and

13 (B) does not include housing that, as of
14 the date on which a seller or lessor sells or
15 leases the housing, is—

16 (i) newly constructed; or

17 (ii) has never been occupied;

18 (2) the term “methamphetamine-based hazard”
19 means any condition that causes exposure to any
20 hazardous substance or pollutant or contaminant as-
21 sociated with the manufacture of methamphetamine
22 that would result in adverse human health effects, as
23 established by the appropriate Federal agency; and

24 (3) the term “Secretary” means the Secretary
25 of Housing and Urban Development.

1 (b) DISCLOSURE IN PURCHASE AND SALE OR LEASE
 2 OF COVERED HOUSING.—

3 (1) IN GENERAL.—Not later than 180 days
 4 after the date of enactment of this Act, the Sec-
 5 retary, in coordination with the Administrator of the
 6 Environmental Protection Agency and any other
 7 Federal agency with knowledge of methamphet-
 8 amine-based hazards, shall promulgate regulations
 9 for the disclosure of methamphetamine-based haz-
 10 ards in covered housing that is offered for sale or
 11 lease.

12 (2) REQUIREMENTS.—The regulations promul-
 13 gated under paragraph (1) shall require that—

14 (A) before the purchaser or lessee is obli-
 15 gated under any contract to purchase or lease
 16 covered housing, the seller or lessor shall—

17 (i) provide a written disclosure to the
 18 purchaser or lessee—

19 (I) of any knowledge of whether
 20 methamphetamine was manufactured
 21 in the covered housing; and

22 (II) of the presence of any known
 23 methamphetamine-based hazards in
 24 the covered housing; and

(ii) allow the purchaser or lessee a 10-day period (unless the parties mutually agree upon a different period of time) to conduct a risk assessment or inspection for the presence of methamphetamine-based hazards; and

(B) each contract for the purchase or lease of covered housing shall contain a statement signed by the seller and purchaser or the lessor and lessee, as applicable, that—

(i) the seller or lessor has made the written disclosures required under subparagraph (A)(i); and

(ii) the purchaser or lessee had a 10-day opportunity (unless the parties mutually agreed upon a different period of time or waived the opportunity) before becoming obligated under the contract to purchase or lease the covered housing to conduct a risk assessment or inspection for the presence of methamphetamine-based hazards.

(3) COMPLIANCE ASSURANCE.—Whenever a seller or lessor has entered into a contract with an agent for the purpose of selling or leasing a unit of covered housing, the regulations promulgated under

1 paragraph (1) shall require the agent, on behalf of
2 the seller or lessor, to ensure compliance with the re-
3 quirements of this section.

4 (4) INVESTIGATIVE AUTHORITY OF THE SEC-
5 RETARY.—

6 (A) INVESTIGATIONS.—The Secretary
7 may—

8 (i) conduct such investigations as may
9 be necessary to administer and carry out
10 the duties of the Secretary under this sec-
11 tion; and

12 (ii) in carrying out clause (i), admin-
13 ister oaths and require by subpoena the
14 production of documents and the attend-
15 ance and testimony of witnesses as the
16 Secretary deems advisable.

17 (B) ENFORCEMENT.—Any district court of
18 the United States within the jurisdiction of
19 which an inquiry is carried, on application of
20 the Attorney General, may, in the case of con-
21 tumacy, failure, or refusal to permit entry
22 under this section or to obey a subpoena of the
23 Secretary issued under subparagraph (A), issue
24 an order requiring such entry or such compli-
25 ance therewith, and any failure to obey such

1 order of the court may be punished by such
2 court as a contempt thereof.

3 (c) PENALTIES FOR VIOLATIONS.—

4 (1) IN GENERAL.—Any person who knowingly
5 violates any provision of this section shall be jointly
6 and severally liable to—

7 (A) the purchaser or lessee of the covered
8 housing, as applicable, in an amount equal to—

9 (i) any costs associated with—

10 (I) the remediation or clean-up of
11 the covered housing to remove any
12 methamphetamine-based hazards; and

13 (II) any health-related injuries or
14 ailments related to methamphetamine-
15 based hazards in the covered housing;
16 and

17 (ii) reasonable attorney's fees associ-
18 ated with the claim; and

19 (B) the Secretary, for civil money penalties
20 in accordance with section 102(f) of the De-
21 partment of Housing and Urban Development
22 Reform Act of 1989 (42 U.S.C. 3545(f)).

23 (2) ENJOINMENT.—The Secretary may take
24 such lawful action as may be necessary to enjoin any
25 violation of this section.

1 (d) VALIDITY OF CONTRACTS AND LIENS.—Nothing
 2 in this section shall—

3 (1) affect the validity or enforceability of—

4 (A) any sale or contract for the purchase
 5 and sale or lease of any interest in covered
 6 housing; or

7 (B) any loan, loan agreement, mortgage,
 8 or lien made or arising in connection with a
 9 mortgage loan; or

10 (2) create a defect in title.

11 (e) EFFECTIVE DATE.—The regulations promulgated
 12 under subsection (b)(1) shall take effect on the date that
 13 is 1 year after the date of enactment of this Act.

14 (f) AUTHORIZATION OF APPROPRIATIONS.—For pur-
 15 poses of carrying out this section, there are authorized to
 16 be appropriated—

17 (1) \$500,000 for fiscal year 2017;

18 (2) \$1,000,000 for fiscal year 2018; and

19 (3) \$2,000,000 for each of fiscal years 2019,
 20 2020, and 2021.

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