

The Senate Committee on Judiciary offered the following substitute to HB 618:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 44 of the Official Code of Georgia Annotated, relating to property, so as to
2 provide for certain protections in the conveyancing of real property in this state; to require
3 any seller of real property in this state to make certain disclosures regarding flood damage
4 to such property; to provide a definition; to provide for violations of the "Fair Business
5 Practices Act of 1975"; to exclude any requirements for an independent investigation or
6 inquiry; to provide for a fine for any frivolous mechanic lien filed; to provide for related
7 matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Title 44 of the Official Code of Georgia Annotated, relating to property, is amended in
11 Chapter 1, relating to general provisions, by revising Code Section 44-1-18, which is
12 designated as reserved, as follows:

13 "44-1-18.

14 (a) As used in this Code section, the term 'flood' means means any inundation from rising
15 waters or from the overflow of streams, rivers, or other bodies of water, or from tidal

16 surges, abnormally high tidal water, tidal waves, tsunamis, hurricanes, or the unusual and
17 rapid accumulation of standing water resulting from a storm.

18 (b) In addition to any other disclosures required by federal or state law, prior to any arm's
19 length transaction of any one-to-four family residential real property located within any
20 county in this state, it shall be the seller's responsibility to disclose any knowledge of a
21 flood impacting such property during such seller's ownership of such property by affirming
22 or denying each of the following:

23 (1) Any physical damage to the property or improvements located on such property
24 caused by a flood during such seller's ownership of such property;

25 (2) Any insurance claim made by such seller for any damages due to a flood loss covered
26 under the National Flood Insurance Program or a private flood insurance policy;

27 (3) Any repairs made by such seller to the property or improvements located on such
28 property as a result of a flood regardless of whether any insurance claim was filed;

29 (4) Any notification to such seller regarding the designation of such property as a
30 repetitive loss structure or severe repetitive loss structure as defined in 42 U.S.C.
31 Section 4104c(h); and

32 (5) Any notification to such seller to obtain and maintain flood insurance under federal
33 law, such as because of a previous form of disaster assistance received by any owner of
34 such property under the federal Robert T. Stafford Disaster Relief and Emergency
35 Assistance Act, 42 U.S.C. Section 5121, et seq.

36 (c) The required disclosures provided for in subsection (b) of this Code section shall be in
37 writing, shall be based on the seller's knowledge of a flood impacting such property during
38 such seller's ownership of such property, and shall identify the approximate date or dates
39 of any flood impacting such property during such seller's ownership of such property and
40 the nature of any repairs made to such property during such seller's ownership of such
41 property.

42 (d) Any willful omission to any disclosure requirement provided for under this Code
43 section shall be considered an unlawful act as provided under Part 2 of Article 15 of
44 Chapter 1 of Title 10, the 'Fair Business Practices Act of 1975.'

45 (e) Nothing in this Code section shall be construed as requiring a seller or any real estate
46 broker or advisor representing or working with a seller, landlord, buyer, or tenant to
47 undertake any independent investigation of or inquiry into any subject matter requiring
48 disclosure under subsection (b) of this Code section. Reserved."

49 **SECTION 2.**

50 Said title is further amended in Chapter 14, relating to mortgages, conveyances to secure
51 debt, and liens, by adding a new Code section to read as follows:

52 "44-14-361.6.

53 Any lien filed pursuant to Code Section 44-14-361 that is made without substantial
54 justification or that is not made in good faith or that is made with malice or a wrongful
55 purpose, as such terms are defined in Code Section 51-7-80, shall be subject to a fine of
56 \$1,500.00 per lien filed, in addition to reasonable attorney's fees or court costs."

57 **SECTION 3.**

58 This Act shall become effective on January 1, 2027.

59 **SECTION 4.**

60 All laws and parts of laws in conflict with this Act are repealed.