HOUSE BILL 1421

N1 6lr3242

By: Delegates Angel and Hayes

Introduced and read first time: February 12, 2016

Assigned to: Economic Matters

A BILL ENTITLED

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Real Property - Real Estate Sales Contracts - Required Notice

3 FOR the purpose of requiring a contract for the sale of a single-family dwelling to include a certain notice; requiring each real estate contract submitted to a party by a real 4 5 estate broker, an associate real estate broker, or a real estate salesperson for use in 6 the sale of a single-family dwelling to contain a certain notice; requiring a real estate 7 broker, an associate real estate broker, or a real estate salesperson involved in the 8 sale of a single-family dwelling to orally inform the buyer of a certain right; 9 providing for the application of this Act; and generally relating to contracts for the sale of a single-family dwelling. 10

- 11 BY adding to
- 12 Article Business Occupations and Professions
- 13 Section 17–524.1
- 14 Annotated Code of Maryland
- 15 (2010 Replacement Volume and 2015 Supplement)
- 16 BY adding to
- 17 Article Real Property
- 18 Section 14–117(m)
- 19 Annotated Code of Maryland
- 20 (2015 Replacement Volume)
- 21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 22 That the Laws of Maryland read as follows:

Article – Business Occupations and Professions

24 **17–524.1.**

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- 1 (A) EACH REAL ESTATE CONTRACT SUBMITTED TO A PARTY BY A REAL 2 ESTATE BROKER, AN ASSOCIATE REAL ESTATE BROKER, OR A REAL ESTATE
- 3 SALESPERSON FOR USE IN THE SALE OF A SINGLE-FAMILY DWELLING SHALL
- 4 CONTAIN THE NOTICE REQUIRED UNDER § 14–117(M) OF THE REAL PROPERTY
- 5 ARTICLE.
- 6 (B) A REAL ESTATE BROKER, AN ASSOCIATE REAL ESTATE BROKER, OR A 7 REAL ESTATE SALESPERSON INVOLVED IN THE SALE OF A SINGLE-FAMILY
- 8 DWELLING SHALL ORALLY INFORM THE BUYER OF THE BUYER'S RIGHT TO HAVE THE
- 9 CONTRACT OF SALE REVIEWED BY AN ATTORNEY OF THE BUYER'S CHOICE.

10 Article – Real Property

- 11 14–117.
- 12 (M) A CONTRACT FOR THE SALE OF A SINGLE-FAMILY DWELLING SHALL
- 13 INCLUDE THE FOLLOWING NOTICE IN IMMEDIATE PROXIMITY TO THE SPACE FOR
- 14 THE SIGNATURE AND IN AT LEAST 12 POINT BOLDFACE TYPE:
- 15 "THE PURCHASE OF A HOME IS PROBABLY THE LARGEST TRANSACTION A
- 16 PERSON WILL EVER UNDERTAKE. CAREFUL CONSIDERATION SHOULD BE GIVEN TO
- 17 THE TECHNICAL ISSUES INVOLVED IN THE PURCHASE BEFORE THIS CONTRACT IS
- 18 **FINALIZED.**
- THE BUYER AND SELLER SHOULD CAREFULLY READ THIS CONTRACT TO BE
- 20 SURE THAT THE TERMS ACCURATELY EXPRESS THEIR UNDERSTANDING AS TO
- 21 THEIR INTENTIONS AND AGREEMENTS. A REAL ESTATE BROKER CAN COUNSEL THE
- 22 PARTIES ON REAL ESTATE MATTERS, BUT IF LEGAL ADVICE IS DESIRED BY EITHER
- 23 PARTY, THE PARTY IS ADVISED TO SEEK THE ADVICE OF AN ATTORNEY. THE BUYER
- 24 AND SELLER ARE FURTHER ADVISED TO SEEK APPROPRIATE PROFESSIONAL
- 25 ADVICE CONCERNING THE CONDITION OF THE PROPERTY OR TAX AND INSURANCE
- 26 MATTERS.".
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to
- 28 contracts for the sale of a single–family dwelling entered into on or after the effective date
- 29 of this Act.
- 30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 31 October 1, 2016.