

HOUSE BILL 450

N1
HB 838/11 – ENV

2lr1651

By: **Delegates Hogan, Beidle, Bobo, Carr, Glenn, Healey, Holmes, Jacobs, Lafferty, McMillan, Niemann, Norman, O'Donnell, Otto, Stein, Vitale, Weir, and Wilson**

Introduced and read first time: February 1, 2012
Assigned to: Environmental Matters

Committee Report: Favorable
House action: Adopted
Read second time: February 28, 2012

CHAPTER _____

1 AN ACT concerning

2 **Residential Real Property Sales – Property Tax Disclaimer**

3 FOR the purpose of requiring that a certain form developed by the State Real Estate
4 Commission in connection with the sale of residential real property contain a
5 notice stating the possibility of there being significant differences in the
6 property tax bill previously paid by the seller of the property and the property
7 tax bill of the buyer of the property; and generally relating to sales of residential
8 real property.

9 BY repealing and reenacting, without amendments,
10 Article – Real Property
11 Section 10–702(b) and (f)
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2011 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Real Property
16 Section 10–702(c)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2011 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Real Property

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10–702.

(b) (1) This section applies only to single family residential real property improved by four or fewer single family units.

(2) This section does not apply to:

(i) The initial sale of single family residential real property:

1. That has never been occupied; or

2. For which a certificate of occupancy has been issued within 1 year before the vendor and purchaser enter into a contract of sale;

(ii) A transfer that is exempt from the transfer tax under § 13–207 of the Tax – Property Article, except land installment contracts of sale under § 13–207(a)(11) of the Tax – Property Article and options to purchase real property under § 13–207(a)(12) of the Tax – Property Article;

(iii) A sale by a lender or an affiliate or subsidiary of a lender that acquired the real property by foreclosure or deed in lieu of foreclosure;

(iv) A sheriff's sale, tax sale, or sale by foreclosure, partition, or by court appointed trustee;

(v) A transfer by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;

(vi) A transfer of single family residential real property to be converted by the buyer into a use other than residential use or to be demolished; or

(vii) A sale of unimproved real property.

(c) (1) A vendor of single family residential real property shall complete and deliver to each purchaser:

(i) A written residential property condition disclosure statement on a form provided by the State Real Estate Commission; or

(ii) A written residential property disclaimer statement on a form provided by the State Real Estate Commission.

1 (2) **(I)** The State Real Estate Commission shall develop by
2 regulation a single standardized form that includes the residential property condition
3 disclosure and disclaimer statements required by this subsection.

4 **(II) THE FORM DEVELOPED UNDER SUBPARAGRAPH (I) OF**
5 **THIS PARAGRAPH SHALL INCLUDE THE FOLLOWING STATEMENT:**

6 **“DUE TO A VARIETY OF MARYLAND PROPERTY TAX CREDIT PROGRAMS,**
7 **THE BUYER’S PROPERTY TAX BILL MAY BE SIGNIFICANTLY DIFFERENT FROM**
8 **THE TAX BILL PAID PREVIOUSLY BY THE SELLER OF THE PROPERTY. BUYERS**
9 **SHOULD CONTACT THE LOCAL GOVERNMENT FOR AN ESTIMATE OF THEIR**
10 **PROPERTY TAX OBLIGATION.”**

11 (f) (1) Except as provided in paragraphs (2) and (3) of this subsection, the
12 vendor shall deliver the completed disclosure or disclaimer statement required by this
13 section to the purchaser on or before entering into a contract of sale by the vendor and
14 the purchaser.

15 (2) The disclosure or disclaimer statement shall be delivered to each
16 purchaser before the execution of the contract of sale by the purchaser in the case of a
17 land installment contract, as defined in § 10–101 of this title.

18 (3) The disclosure or disclaimer statement shall be delivered to each
19 purchaser before the execution by the purchaser of an option to purchase agreement or
20 a lease agreement containing an option to purchase provision.

21 (4) At the time the disclosure or disclaimer statement is delivered,
22 each purchaser shall date and sign a written acknowledgment of receipt, which shall
23 be included in or attached to the contract of sale.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.