

SENATE BILL 530

N1
HB 109/10 – ENV

11r1969
CF 11r2732

By: **Senators Peters, King, Manno, and Robey**
Introduced and read first time: February 4, 2011
Assigned to: Judicial Proceedings

A BILL ENTITLED

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 2010 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 2010 Supplement)

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

21 **Article – Real Property**

22 10–702.

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



1 (2) This section does not apply to:

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

3 1. That has never been occupied; or

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

6 (ii) A transfer that is exempt from the transfer tax under §
7 13-207 of the Tax – Property Article, except land installment contracts of sale under §
8 13-207(a)(11) of the Tax – Property Article and options to purchase real property
9 under § 13-207(a)(12) of the Tax – Property Article;

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

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

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

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

18 (vii) A sale of unimproved real property.

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

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

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

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

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

30 **“DUE TO A VARIETY OF MARYLAND PROPERTY TAX CREDIT PROGRAMS,**
31 **THE BUYER’S PROPERTY TAX BILL MAY BE SIGNIFICANTLY DIFFERENT THAN**
32 **THE TAX BILL PAID PREVIOUSLY BY THE SELLER OF THE PROPERTY. BUYERS**

1 SHOULD CONTACT THE LOCAL GOVERNMENT FOR AN ESTIMATE OF THEIR
2 PROPERTY TAX OBLIGATION.”.

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

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

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

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

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2011.