

By: **Delegates McConkey, V. Clagett, Cluster, Fulton, Holmes, Malone,
Miller, and Parker**

Introduced and read first time: January 24, 2005

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Resale of a Condominium Unit by a Unit Owner - Time**
3 **Frames**

4 FOR the purpose of altering the time frame within which a condominium unit owner
5 is required to furnish a purchaser certain documents and statements under
6 certain circumstances; altering the time frame within which a council of unit
7 owners is required to furnish a certificate of information to a unit owner under
8 certain circumstances; altering the time frame within which a purchaser may
9 rescind a contract for the resale of a condominium unit without any liability
10 under certain circumstances; altering the content of certain notices required to
11 be given to a purchaser of a condominium unit under certain circumstances;
12 making stylistic changes; and generally relating to the resale of a condominium
13 unit by a unit owner.

14 BY repealing and reenacting, with amendments,
15 Article - Real Property
16 Section 11-135
17 Annotated Code of Maryland
18 (2003 Replacement Volume and 2004 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 11-135.

23 (a) Except as provided in subsection (b) of this section, a contract for the resale
24 of a unit by a unit owner other than a developer is not enforceable unless the contract
25 of sale contains in conspicuous type a notice in the form specified in subsection (g)(1)
26 of this section, and the unit owner furnishes to the purchaser not later than [15] 5
27 CALENDAR days prior to closing:

28 (1) A copy of the declaration (other than the plats);

- 1 (2) The bylaws;
- 2 (3) The rules or regulations of the condominium;
- 3 (4) A certificate containing:
- 4 (i) A statement disclosing the effect on the proposed conveyance of
5 any right of first refusal or other restraint on the free alienability of the unit other
6 than any restraint created by the unit owner;
- 7 (ii) A statement setting forth the amount of the monthly common
8 expense assessment and any unpaid common expense or special assessment currently
9 due and payable from the selling unit owner;
- 10 (iii) A statement of any other fees payable by the unit owners to the
11 council of unit owners;
- 12 (iv) A statement of any capital expenditures approved by the council
13 of unit owners planned at the time of the conveyance which are not reflected in the
14 current operating budget disclosed under subparagraph (vi) of this paragraph;
- 15 (v) The most recent regularly prepared balance sheet and income
16 expense statement, if any, of the condominium;
- 17 (vi) The current operating budget of the condominium including
18 details concerning the reserve fund for repair and replacement and its intended use,
19 or a statement that there is no reserve fund;
- 20 (vii) A statement of any judgments against the condominium and the
21 existence of any pending suits to which the council of unit owners is a party;
- 22 (viii) A statement generally describing any insurance policies
23 provided for the benefit of unit owners, a notice that copies of the policies are
24 available for inspection, stating the location at which the copies are available, and a
25 notice that the terms of the policy prevail over the description;
- 26 (ix) A statement as to whether the council of unit owners has
27 knowledge that any alteration or improvement to the unit or to the limited common
28 elements assigned to the unit violates any provision of the declaration, bylaws, or
29 rules or regulations;
- 30 (x) A statement as to whether the council of unit owners has
31 knowledge of any violation of the health or building codes with respect to the unit, the
32 limited common elements assigned to the unit, or any other portion of the
33 condominium;
- 34 (xi) A statement of the remaining term of any leasehold estate
35 affecting the condominium and the provisions governing any extension or renewal
36 thereof; and

1 (xii) A description of any recreational or other facilities which are to
2 be used by the unit owners or maintained by them or the council of unit owners, and
3 a statement as to whether or not they are to be a part of the common elements; and

4 (5) A statement by the unit owner as to whether the unit owner has
5 knowledge:

6 (i) That any alteration to the unit or to the limited common
7 elements assigned to the unit violates any provision of the declaration, bylaws, or
8 rules and regulations;

9 (ii) Of any violation of the health or building codes with respect to
10 the unit or the limited common elements assigned to the unit; and

11 (iii) That the unit is subject to an extended lease under § 11-137 of
12 this title or under local law, and if so, a copy of the lease must be provided.

13 (b) A contract for the resale by a unit owner other than a developer of a unit in
14 a condominium containing less than 7 units is not enforceable unless the contract of
15 sale contains in conspicuous type a notice in the form specified in subsection (g)(2) of
16 this section, and the unit owner furnishes to the purchaser not later than [15] 5
17 CALENDAR days prior to closing:

18 (1) A copy of the declaration (other than the plats);

19 (2) The bylaws;

20 (3) The rules and regulations of the condominium; and

21 (4) A statement by the unit owner of the unit owner's expenses during
22 the preceding 12 months relating to the common elements.

23 (c) (1) The council of unit owners, within [20] 10 CALENDAR days after a
24 written request by a unit owner and receipt of a reasonable fee therefor, not to exceed
25 the cost to the council of unit owners, if any, shall furnish a certificate containing the
26 information necessary to enable the unit owner to comply with subsection (a) of this
27 section. A unit owner providing a certificate under subsection (a) of this section is not
28 liable to the purchaser for any erroneous information provided by the council of unit
29 owners and included in the certificate.

30 (2) With respect to the remaining information that the unit owner is
31 required to disclose under subsection (a) of this section that is not provided by the
32 council of unit owners and included in the certificate, a unit owner:

33 (i) Except as provided in subparagraph (ii) of this paragraph, is
34 liable to the purchaser under this section for damages proximately caused by:

35 1. An untrue statement about a material fact; and

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2005.