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By: **Delegates Stern, Fulton, Madaleno, McConkey, Parker, Sossi, V. Turner,  
and Weir**

Introduced and read first time: February 8, 2005

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Resale of Home or Condominium - Information Supplied to**  
3 **the Seller**

4 FOR the purpose of altering the time a council of unit owners has to furnish a unit  
5 owner with a certificate for the resale of a certain unit; limiting the fee a council  
6 of unit owners may charge a unit owner for reproducing certain documents for a  
7 certificate necessary to the resale of a certain unit; limiting the number of  
8 inspections of a certain unit; establishing a time period for a homeowners  
9 association to provide certain information for the resale of a lot in a  
10 development; limiting the fee an association may charge a vendor for  
11 reproducing certain documents necessary for the resale of a lot; limiting the  
12 number of inspections of a certain lot; and generally relating to the resale of a  
13 condominium or property in a development.

14 BY repealing and reenacting, without amendments,  
15 Article - Real Property  
16 Section 11-135(a) and (b) and 11B-106(a)(1)  
17 Annotated Code of Maryland  
18 (2003 Replacement Volume and 2004 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article - Real Property  
21 Section 11-135(c)(1) and 11B-106(b) and (e)  
22 Annotated Code of Maryland  
23 (2003 Replacement Volume and 2004 Supplement)

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

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**Article - Real Property**

2 11-135.

3 (a) Except as provided in subsection (b) of this section, a contract for the resale  
4 of a unit by a unit owner other than a developer is not enforceable unless the contract  
5 of sale contains in conspicuous type a notice in the form specified in subsection (g)(1)  
6 of this section, and the unit owner furnishes to the purchaser not later than 15 days  
7 prior to closing:

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

9 (2) The bylaws;

10 (3) The rules or regulations of the condominium;

11 (4) A certificate containing:

12 (i) A statement disclosing the effect on the proposed conveyance of  
13 any right of first refusal or other restraint on the free alienability of the unit other  
14 than any restraint created by the unit owner;

15 (ii) A statement setting forth the amount of the monthly common  
16 expense assessment and any unpaid common expense or special assessment currently  
17 due and payable from the selling unit owner;

18 (iii) A statement of any other fees payable by the unit owners to the  
19 council of unit owners;

20 (iv) A statement of any capital expenditures approved by the council  
21 of unit owners planned at the time of the conveyance which are not reflected in the  
22 current operating budget disclosed under subparagraph (vi) of this paragraph;

23 (v) The most recent regularly prepared balance sheet and income  
24 expense statement, if any, of the condominium;

25 (vi) The current operating budget of the condominium including  
26 details concerning the reserve fund for repair and replacement and its intended use,  
27 or a statement that there is no reserve fund;

28 (vii) A statement of any judgments against the condominium and the  
29 existence of any pending suits to which the council of unit owners is a party;

30 (viii) A statement generally describing any insurance policies  
31 provided for the benefit of unit owners, a notice that copies of the policies are  
32 available for inspection, stating the location at which the copies are available, and a  
33 notice that the terms of the policy prevail over the description;

34 (ix) A statement as to whether the council of unit owners has  
35 knowledge that any alteration or improvement to the unit or to the limited common

1 elements assigned to the unit violates any provision of the declaration, bylaws, or  
2 rules or regulations;

3 (x) A statement as to whether the council of unit owners has  
4 knowledge of any violation of the health or building codes with respect to the unit, the  
5 limited common elements assigned to the unit, or any other portion of the  
6 condominium;

7 (xi) A statement of the remaining term of any leasehold estate  
8 affecting the condominium and the provisions governing any extension or renewal  
9 thereof; and

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

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

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

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

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

22 (b) A contract for the resale by a unit owner other than a developer of a unit in  
23 a condominium containing less than 7 units is not enforceable unless the contract of  
24 sale contains in conspicuous type a notice in the form specified in subsection (g)(2) of  
25 this section, and the unit owner furnishes to the purchaser not later than 15 days  
26 prior to closing:

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

28 (2) The bylaws;

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

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

32 (c) (1) (I) 1. The council of unit owners, within [20 days] 5 BUSINESS  
33 DAYS after a written request by a unit owner and receipt of a reasonable fee therefor,  
34 not to exceed the cost to the council of unit owners, if any, shall furnish a certificate  
35 containing the information necessary to enable the unit owner to comply with  
36 subsection (a) of this section.

1                           2.        A unit owner providing a certificate under subsection (a) of  
2 this section is not liable to the purchaser for any erroneous information provided by  
3 the council of unit owners and included in the certificate.

4                           (II)    1.        IN SATISFYING A UNIT OWNER'S REQUEST FOR A  
5 CERTIFICATE UNDER SUBSECTION (A) OF THIS SECTION, A COUNCIL OF UNIT  
6 OWNERS IS ENTITLED TO A REASONABLE FEE, NOT TO EXCEED 10 CENTS PER PAGE  
7 OF COPYING OR A TOTAL OF \$110 FOR ALL COSTS INCURRED IN PROVIDING THE  
8 INFORMATION, INCLUDING ANY INSPECTION NECESSARY TO SATISFY THE  
9 REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION.

10                          2.        IF MORE THAN ONE COUNCIL OF UNIT OWNERS IS  
11 INVOLVED IN SATISFYING A UNIT OWNER'S REQUEST FOR A CERTIFICATE UNDER  
12 SUBSECTION (A) OF THIS SECTION, THE TOTAL FEE FOR ALL COUNCILS MAY NOT  
13 EXCEED 10 CENTS PER PAGE OF COPYING OR A TOTAL OF \$125 FOR THE COSTS  
14 INCURRED BY ALL COUNCILS IN PROVIDING THE INFORMATION, INCLUDING ANY  
15 INSPECTION NECESSARY TO SATISFY THE REQUIREMENTS OF SUBSECTION (A) OF  
16 THIS SECTION.

17                          3.        IN SATISFYING A UNIT OWNER'S REQUEST FOR A  
18 CERTIFICATE UNDER SUBSECTION (A) OF THIS SECTION, THE UNIT MAY ONLY BE  
19 INSPECTED ONE TIME.

20 11B-106.

21        (a)        A contract for the resale of a lot within a development, or for the initial sale  
22 of a lot within a development containing 12 or fewer lots, to a member of the public  
23 who intends to occupy or rent the lot for residential purposes, is not enforceable by the  
24 vendor unless:

25                   (1)        The purchaser is given, on or before entering into the contract for the  
26 sale of such lot, or within 20 calendar days of entering into the contract, the  
27 disclosures set forth in subsection (b) of this section;

28        (b)        The vendor shall provide the purchaser the following information in  
29 writing WITHIN 5 BUSINESS DAYS AFTER A WRITTEN REQUEST OF THE VENDOR:

30                   (1)        A statement as to whether the lot is located within a development;

31                   (2)        (i)        The current monthly fees or assessments imposed by the  
32 homeowners association upon the lot;

33                           (ii)        The total amount of fees, assessments, and other charges  
34 imposed by the homeowners association upon the lot during the prior fiscal year of  
35 the homeowners association; and

36                           (iii)       A statement of whether any of the fees, assessments, or other  
37 charges against the lot are delinquent;

1 (3) The name, address, and telephone number of the management agent  
2 of the homeowners association, or other officer or agent authorized by the  
3 homeowners association to provide to members of the public, information regarding  
4 the homeowners association and the development, or a statement that no agent or  
5 officer is presently so authorized by the homeowners association;

6 (4) A statement as to whether the owner has actual knowledge of:

7 (i) The existence of any unsatisfied judgments or pending lawsuits  
8 against the homeowners association; and

9 (ii) Any pending claims, covenant violations actions, or notices of  
10 default against the lot; and

11 (5) A copy of:

12 (i) The articles of incorporation, the declaration, and all recorded  
13 covenants and restrictions of the primary development, and of other related  
14 developments to the extent reasonably available, to which the purchaser shall become  
15 obligated on becoming an owner of the lot, including a statement that these  
16 obligations are enforceable against an owner's tenants, if applicable; and

17 (ii) The bylaws and rules of the primary development, and of other  
18 related developments to the extent reasonably available, to which the purchaser shall  
19 become obligated on becoming an owner of the lot, including a statement that these  
20 obligations are enforceable against an owner and the owner's tenants, if applicable.

21 (e) (1) In satisfying the requirements of subsection (b) of this section, the  
22 vendor shall be entitled to rely upon the disclosures contained in the depository after  
23 June 30, 1989.

24 (2) (I) IN SATISFYING A VENDOR'S REQUEST FOR ANY INFORMATION  
25 DESCRIBED UNDER SUBSECTION (B) OF THIS SECTION, A HOMEOWNERS  
26 ASSOCIATION IS ENTITLED TO A REASONABLE FEE, NOT TO EXCEED 10 CENTS PER  
27 PAGE OF COPYING OR A TOTAL OF \$110 FOR ALL COSTS INCURRED IN PROVIDING THE  
28 INFORMATION, INCLUDING ANY INSPECTION NECESSARY TO SATISFY THE  
29 REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION.

30 (II) IF MORE THAN ONE HOMEOWNERS ASSOCIATION IS INVOLVED  
31 IN SATISFYING A VENDOR'S REQUEST FOR INFORMATION DESCRIBED UNDER  
32 SUBSECTION (B) OF THIS SECTION, THE TOTAL FEE FOR ALL ASSOCIATIONS MAY NOT  
33 EXCEED 10 CENTS PER PAGE OF COPYING OR A TOTAL OF \$125 FOR THE COSTS  
34 INCURRED BY ALL ASSOCIATIONS IN PROVIDING THE INFORMATION, INCLUDING  
35 ANY INSPECTION NECESSARY TO SATISFY THE REQUIREMENTS OF SUBSECTION (B)  
36 OF THIS SECTION.

37 (III) IN SATISFYING A VENDOR'S REQUEST FOR ANY INFORMATION  
38 DESCRIBED UNDER SUBSECTION (B) OF THIS SECTION, THE LOT MAY ONLY BE  
39 INSPECTED ONE TIME.

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