

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 198

(Delegate McConkey, *et al.*)

Environmental Matters

Judicial Proceedings

Real Property - Task Force on the Resale of Homes in Condominiums and
Homeowners Associations

This bill establishes the Task Force on the Resale of Homes in Condominiums and Homeowners Associations, staffed by the Department of Legislative Services. The task force must study and make recommendations regarding the issues involved with: (1) the resale by owners of homes located in condominiums or homeowners associations; and (2) the resale by owners of homes located in condominiums or homeowners associations that are subject to multiple common ownership regimes. The task force must submit an interim report by June 30, 2006 and a final report by December 31, 2006 to the Governor and the General Assembly.

The bill takes effect June 1, 2005 and terminates December 31, 2006.

Fiscal Summary

State Effect: Any reimbursements for task force members and staffing costs are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Generally, a contract for the retail of a condominium unit by its owner other than a developer is not enforceable unless the contract contains the required notice about the condominium and the owner furnishes the purchaser, no later than 15 days prior

to closing: (1) a copy of the declaration; (2) the bylaws; (3) the condominium's rules or regulations; (4) a certificate containing specified information; and (5) a statement by the owner about the owner's knowledge about any alterations to the unit or limited common areas, violations of health or building codes respecting the unit or limited common areas, and whether the unit is subject to an extended lease under the State or a local set-aside provision.

The council of unit owners, within 20 days after receiving a written request by an owner and any fee the council requires, must furnish a certificate containing the information necessary to enable the owner to comply with the notice provisions.

For a condominium with fewer than seven units, a contract for the resale of a unit by its owner is not enforceable unless the contract contains the required notice about the condominium and the owner furnishes the purchaser not later than 15 days prior to closing: (1) a copy of the declaration; (2) the bylaws; (3) the condominium's rules and regulations; and (4) a statement by the owner of the owner's expenses during the preceding 12 months relating to the common elements.

A purchaser may at any time within seven days following receipt of all of the required information rescind the contract without stating any reason and without any liability. The purchaser is then entitled to the return of any deposits made because of the contract.

Background: Under the Maryland Rules, in computing any period of time prescribed by a statute, the day of the act, event, or default after which the designated period of time begins to run is not included. If the period of time allowed is more than seven days, intermediate Saturdays, Sundays, and, holidays are counted. If the period of time is seven days or less, intermediate Saturdays, Sundays, and holidays are not counted. The last day of the period is included unless it is a Saturday, Sunday, or holiday, in which case the period ends on the next day that is not a Saturday, Sunday, or holiday. Similar rules apply for determining the latest day for the performance of an act that is required by statute.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Secretary of State, Office of the Attorney General (Consumer Protection Division), Department of Legislative Services

Fiscal Note History: First Reader - February 1, 2005
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