

# HOUSE BILL 713

N1  
HB 109/10 – ENV

1lr1382

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By: **Delegates Hucker and Niemann**  
Introduced and read first time: February 10, 2011  
Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Residential Property Tax Disclaimer Act**

3 FOR the purpose of requiring that a standardized disclosure form for residential  
4 property condition disclosure and disclaimer statements developed by the State  
5 Real Estate Commission contain a notice about certain differences between  
6 property tax bills paid by the buyer and the seller of the property; and generally  
7 relating to sales of residential property.

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

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

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

20 **Article – Real Property**

21 10–702.

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

24 (2) This section does not apply to:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



- 1 (i) The initial sale of single family residential real property:
- 2 1. That has never been occupied; or
- 3 2. For which a certificate of occupancy has been issued  
4 within 1 year before the vendor and purchaser enter into a contract of sale;
- 5 (ii) A transfer that is exempt from the transfer tax under §  
6 13-207 of the Tax – Property Article, except land installment contracts of sale under §  
7 13-207(a)(11) of the Tax – Property Article and options to purchase real property  
8 under § 13-207(a)(12) of the Tax – Property Article;
- 9 (iii) A sale by a lender or an affiliate or subsidiary of a lender  
10 that acquired the real property by foreclosure or deed in lieu of foreclosure;
- 11 (iv) A sheriff’s sale, tax sale, or sale by foreclosure, partition, or  
12 by court appointed trustee;
- 13 (v) A transfer by a fiduciary in the course of the administration  
14 of a decedent’s estate, guardianship, conservatorship, or trust;
- 15 (vi) A transfer of single family residential real property to be  
16 converted by the buyer into a use other than residential use or to be demolished; or
- 17 (vii) A sale of unimproved real property.
- 18 (c) (1) A vendor of single family residential real property shall complete  
19 and deliver to each purchaser:
- 20 (i) A written residential property condition disclosure  
21 statement on a form provided by the State Real Estate Commission; or
- 22 (ii) A written residential property disclaimer statement on a  
23 form provided by the State Real Estate Commission.
- 24 (2) **(I)** The State Real Estate Commission shall develop by  
25 regulation a single standardized form that includes the residential property condition  
26 disclosure and disclaimer statements required by this subsection.
- 27 **(II) THE FORM DEVELOPED UNDER SUBPARAGRAPH (I) OF**  
28 **THIS PARAGRAPH SHALL INCLUDE THE FOLLOWING STATEMENT:**
- 29 **“DUE TO A VARIETY OF MARYLAND PROPERTY TAX CREDIT PROGRAMS,**  
30 **THE BUYER’S PROPERTY TAX BILL MAY BE SIGNIFICANTLY DIFFERENT FROM**  
31 **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.