
By: Delegates Doory and V. Mitchell

Introduced and read first time: January 29, 1997

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Sale of Land Under Development - Notice to Contractors and**
3 **Subcontractors**

4 FOR the purpose of providing that if an owner of land under development enters into a
5 contract for the sale of the land, the owner shall provide written notice to each
6 contractor who has provided labor or materials to the land; providing that if a
7 contractor receives notice from an owner under this Act, the contractor shall
8 provide written notice to each subcontractor with whom the contractor has
9 contracted to provide labor or materials to the land; providing that if a
10 subcontractor receives notice from a contractor under this Act, the subcontractor
11 shall provide written notice to each other subcontractor with whom the
12 subcontractor has contracted to provide labor or materials to the land; providing for
13 the manner of sending notice; setting deadlines within which notice must be sent;
14 providing for the content of notice; providing that a person who fails to provide
15 required notice is subject to certain liability; and generally relating to providing
16 notice to contractors and subcontractors when an owner of land under development
17 enters into a contract for the sale of the land.

18 BY adding to

19 Article - Real Property
20 Section 9-104.1
21 Annotated Code of Maryland
22 (1996 Replacement Volume and 1996 Supplement)

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

25 **Article - Real Property**

26 9-104.1.

27 (A) (1) IF AN OWNER OF LAND UNDER DEVELOPMENT ENTERS INTO A
28 CONTRACT FOR THE SALE OF THE LAND, THE OWNER SHALL PROVIDE WRITTEN
29 NOTICE TO EACH CONTRACTOR WHO HAS PROVIDED LABOR OR MATERIALS TO THE
30 LAND.

31 (2) THE OWNER SHALL SEND THE NOTICE:

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1 (I) BY CERTIFIED MAIL; AND

2 (II) WITHIN 7 DAYS AFTER ENTERING INTO THE CONTRACT.

3 (3) THE NOTICE SHALL:

4 (I) SET FORTH THE PARTIES TO THE CONTRACT;

5 (II) DESCRIBE THE LAND TO BE SOLD; AND

6 (III) STATE THE DATE ON WHICH TITLE WILL BE TRANSFERRED
7 UNDER THE CONTRACT.

8 (4) IF AN OWNER FAILS TO GIVE NOTICE IN ACCORDANCE WITH THIS
9 SUBSECTION, THE OWNER SHALL BE LIABLE FOR:

10 (I) THE ACTUAL COST OF LABOR AND MATERIALS PROVIDED TO
11 THE LAND THAT IS DUE TO THE CONTRACTOR; AND

12 (II) REASONABLE COSTS AND ATTORNEY FEES FOR ANY ACTION
13 TO RECOVER A LOSS SUSTAINED.

14 (B) (1) IF A CONTRACTOR RECEIVES NOTICE FROM AN OWNER UNDER
15 SUBSECTION (A) OF THIS SECTION, THE CONTRACTOR SHALL PROVIDE WRITTEN
16 NOTICE TO EACH SUBCONTRACTOR WITH WHOM THE CONTRACTOR HAS
17 CONTRACTED TO PROVIDE LABOR OR MATERIALS TO THE LAND UNDER
18 DEVELOPMENT.

19 (2) IF A SUBCONTRACTOR RECEIVES NOTICE FROM A CONTRACTOR
20 UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE SUBCONTRACTOR SHALL
21 PROVIDE WRITTEN NOTICE TO EACH OTHER SUBCONTRACTOR WITH WHOM THE
22 SUBCONTRACTOR HAS CONTRACTED TO PROVIDE LABOR OR MATERIALS TO THE
23 LAND UNDER DEVELOPMENT.

24 (3) THE CONTRACTOR OR SUBCONTRACTOR SHALL SEND THE NOTICE:

25 (I) BY CERTIFIED MAIL; AND

26 (II) WITHIN 7 DAYS AFTER THE CONTRACTOR OR
27 SUBCONTRACTOR RECEIVES NOTICE.

28 (4) THE NOTICE SHALL:

29 (I) SET FORTH THE PARTIES TO THE CONTRACT;

30 (II) DESCRIBE THE LAND TO BE SOLD; AND

31 (III) STATE THE DATE ON WHICH TITLE WILL BE TRANSFERRED
32 UNDER THE CONTRACT.

33 (5) IF A CONTRACTOR OR SUBCONTRACTOR FAILS TO GIVE NOTICE IN
34 ACCORDANCE WITH THIS SUBSECTION, THE CONTRACTOR OR SUBCONTRACTOR
35 SHALL BE LIABLE FOR:

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1 (I) THE ACTUAL COST OF LABOR AND MATERIALS PROVIDED TO
2 THE LAND THAT IS DUE TO A SUBCONTRACTOR WITH WHOM THE CONTRACTOR OR
3 SUBCONTRACTOR HAS CONTRACTED TO PROVIDE LABOR OR MATERIALS TO THE
4 LAND; AND

5 (II) REASONABLE COSTS AND ATTORNEY FEES FOR ANY ACTION
6 TO RECOVER A LOSS SUSTAINED.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 1997.