

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 575 (Delegates Doory and V. Mitchell)
Economic Matters

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

This bill provides that an owner of land under development who enters into a contract to sell the land must provide written notice to any contractor that has provided labor or materials to the land. The bill requires a contractor who has subcontracted for labor and materials to notify each subcontractor that the land is being sold; the same applies to a subcontractor who has subcontracted for labor or materials. Any land owner, contractor, or subcontractor who violates this provision would be required to pay the contractor or subcontractor the actual cost of labor and materials provided as well as reasonable costs and attorney's fees.

Fiscal Summary

State Effect: None. This bill would not directly affect governmental finances.

Local Effect: None.

Small Business Effect: Potential meaningful effect on small businesses as discussed below.

Fiscal Analysis

Small Business Effect: This bill provides notice requirements for land owners, contractors, and subcontractors in the event that land under development is sold. While the enhanced notice requirements place additional administrative requirements on these businesses, these requirements could also provide increased opportunities for contractors and subcontractors to recover any investments in labor and materials.

Information Sources: Department of Assessments and Taxation, Department of Fiscal Services

Fiscal Note History: First Reader - February 17, 1997

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