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By: **Delegate D. Murphy**

Introduced and read first time: February 18, 1998

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - New Home Warranties - Sound Abatement**

3 FOR the purpose of requiring certain builders to include in certain new home  
4 contracts language concerning certain warranty limitations relating to the  
5 installation of certain sound abatement barriers; requiring certain contracts for  
6 the sale of certain new homes to comply with certain warranty stipulations; and  
7 generally relating to new home warranties and sound abatement barriers.

8 BY repealing and reenacting, with amendments,  
9 Article - Real Property  
10 Section 10-605  
11 Annotated Code of Maryland  
12 (1996 Replacement Volume and 1997 Supplement)

13 BY adding to  
14 Article - Real Property  
15 Section 14-117(j)  
16 Annotated Code of Maryland  
17 (1996 Replacement Volume and 1997 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 10-605.

22 A builder who sells a new home with a new home warranty pursuant to §  
23 10-604(b) of this title which has not been waived by the owner shall provide the  
24 owner with a notice that shall be incorporated in a conspicuous manner in the  
25 contract and that shall include the following language in type at least as large as 12  
26 point type:

27 "Notice to Purchaser

1 Your new home will be covered by a new home warranty that meets  
2 the minimum requirements established under Title 10, Subtitle 6 of the  
3 Real Property Article of the Annotated Code of Maryland. Before you sign  
4 this contract, your builder is required to give you a copy of the warranty  
5 coverage you will receive. **THE BUILDER, AND THE BUILDER'S EMPLOYEES**  
6 **AND AGENTS CANNOT WARRANT THE CONSTRUCTION OF SOUND**  
7 **ABATEMENT BARRIERS BY ANY STATE OR LOCAL GOVERNMENT AGENCY.**

8 The name of the new home warranty security plan in which your  
9 builder is currently a participant is ..... You are strongly encouraged to  
10 call the new home warranty security plan at ..... to verify (i) that your  
11 builder is in good standing with this company, and (ii) that your new home  
12 will be covered by a warranty from this company.

13 If the builder is not a participant in good standing with this company  
14 on the date of this contract, or if the new home has not been registered in  
15 the plan on or before the warranty date, then it is a material breach of the  
16 contract and you are entitled to whatever remedies are provided by law,  
17 including, but not limited to, rescission or cancellation of this contract and,  
18 except in the case of a construction contract for a new home built on your  
19 own property, a refund of any money paid to the builder for your new home.

20 On the day that you first occupy the new home, settle on the new  
21 home, make the final payment to the builder on your new home, or obtain  
22 an occupancy permit for a new home if the new home is built on your own  
23 property, whichever is earlier, you will be provided with evidence that a  
24 new home warranty exists for your new home and that coverage begins on  
25 that date. You will be provided with a signed new home warranty within 60  
26 days from the date the coverage begins.

27 The terms used in this notice shall have the same meanings as  
28 provided in Title 10, Subtitle 6 of the Real Property Article of the  
29 Annotated Code of Maryland."

30 14-117.

31 (J) A CONTRACT OF SALE FOR THE PURCHASE OF A NEW HOME WITH A NEW  
32 HOME WARRANTY SHALL COMPLY WITH THE PROVISIONS OF § 10-605 OF THIS  
33 ARTICLE.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
35 October 1, 1998.