

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 727 (Delegate Bozman. *et al.*)

Economic Matters

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**Condominiums and Homeowners Associations - Public Offering Statements -  
Disclosure of Judgments and Pending Suits**

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This bill provides that the contract for the initial sale of a condominium unit is not enforceable by a vendor unless a statement of any judgments against the vendor or the existence of any pending suits to which the vendor is a party is included as part of a public offering statement filed with the Secretary of State. This same statement must be included in a contract for the resale of a lot within a development or for the initial sale of a lot within a development containing 12 or fewer lots to an individual intending to occupy or rent the lot for residential purposes. In addition, a contract for the initial sale of a lot in a development containing more than 12 lots to a member of the public that intends to occupy or rent the lot for residential purposes is not enforceable unless it contains, within a public offering statement, any judgments against the homeowners association or vendor or the existence of any pending suits to which the association or vendor is a party. This provision also applies to a contract for the initial sale of a lot in a development of any size to an individual who does not intend to occupy or rent the lot for residential purposes.

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**Fiscal Summary**

**State Effect:** None. Assuming that the Consumer Protection Division will receive fewer than 50 complaints per year stemming from this bill, existing resources should be adequate to handle any additional workload.

**Local Effect:** None.

**Small Business Effect:** Minimal impact on small businesses.

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**Information Sources:** Office of the Attorney General (Consumer Protection Division),  
Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 1998

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