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By: **Delegates Leopold, Cadden, McKee, Rosso, Clagett, Hubbard, Heller,  
Love, Pendergrass, Pitkin, D'Amato, and Mohorovic**

Introduced and read first time: January 21, 1999

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Sales of Homes - Disclosure Requirements**

3 FOR the purpose of requiring the seller of a home or the seller's agent to notify the  
4 buyer that in order to become fully informed of certain government plans that  
5 may affect the home, the buyer should consult the appropriate county agency for  
6 information regarding these plans; requiring the seller of a home or the seller's  
7 agent to provide the buyer with the address of the appropriate county agency  
8 where the buyer may review these plans; requiring the buyer to indicate, by  
9 signing an addendum to the contract of sale, that the seller or the seller's agent  
10 has made the required notifications; making a violation of these notice  
11 requirements an unfair and deceptive trade practice; making certain licensed  
12 real estate professionals subject to disciplinary action by the State Real Estate  
13 Commission for a violation of this Act; providing for the construction of this Act;  
14 and generally relating to disclosure requirements for the sale of a home.

15 BY adding to  
16 Article - Real Property  
17 Section 10-703  
18 Annotated Code of Maryland  
19 (1996 Replacement Volume and 1998 Supplement)

20 BY repealing and reenacting, with amendments,  
21 Article - Business Occupations and Professions  
22 Section 17-322(b)(33) and (34)  
23 Annotated Code of Maryland  
24 (1995 Replacement Volume and 1998 Supplement)

25 BY adding to  
26 Article - Business Occupations and Professions  
27 Section 17-322(b)(35)  
28 Annotated Code of Maryland  
29 (1995 Replacement Volume and 1998 Supplement)

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

3 **Article - Real Property**

4 10-703.

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
6 INDICATED.

7 (2) "HOME" MEANS A RESIDENTIAL DWELLING UNIT.

8 (3) "LICENSED ASSOCIATE REAL ESTATE BROKER" HAS THE MEANING  
9 STATED IN § 17-101 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

10 (4) "LICENSED REAL ESTATE BROKER" HAS THE MEANING STATED IN §  
11 17-101 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

12 (5) "LICENSED REAL ESTATE SALESPERSON" HAS THE MEANING STATED  
13 IN § 17-101 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

14 (6) (I) "SELLER'S AGENT" MEANS ANY PERSON EXPRESSLY  
15 DESIGNATED BY THE SELLER TO REPRESENT THE SELLER IN THE SALE OF A HOME.

16 (II) "SELLER'S AGENT" INCLUDES AN EMPLOYEE OF THE SELLER  
17 OR A LICENSED REAL ESTATE BROKER OR LICENSED REAL ESTATE SALESPERSON  
18 REPRESENTING A SELLER IN THE SALE OF A HOME.

19 (B) A SELLER OF A HOME OR THE SELLER'S AGENT SHALL NOTIFY A BUYER  
20 THAT TO BECOME FULLY INFORMED OF THE EFFECT OF PLANS FOR ROADWAY  
21 CAPITAL IMPROVEMENTS AND LAND USE ON THE HOME OR THE AREA IN WHICH THE  
22 HOME IS LOCATED, THE BUYER SHOULD CONSULT THE APPROPRIATE COUNTY  
23 AGENCY FOR INFORMATION REGARDING THESE PLANS.

24 (C) A SELLER OF A HOME OR THE SELLER'S AGENT SHALL PROVIDE A BUYER  
25 WITH THE ADDRESS OF THE APPROPRIATE COUNTY AGENCY WHERE THE BUYER  
26 MAY REVIEW PLANS FOR ROADWAY CAPITAL IMPROVEMENTS AND LAND USE IN THE  
27 COUNTY WHERE THE HOME IS LOCATED.

28 (D) THE BUYER SHALL INDICATE, BY SIGNING AN ADDENDUM TO THE  
29 CONTRACT OF SALE, THAT:

30 (1) THE SELLER OR THE SELLER'S AGENT HAS NOTIFIED THE BUYER  
31 THAT IN ORDER TO BECOME FULLY INFORMED OF PLANS FOR ROADWAY CAPITAL  
32 IMPROVEMENTS AND LAND USE IN THE COUNTY WHERE THE HOME IS LOCATED,  
33 THE BUYER SHOULD CONSULT THE APPROPRIATE COUNTY AGENCY FOR  
34 INFORMATION REGARDING THESE PLANS; AND

35 (2) THE SELLER OR THE SELLER'S AGENT HAS PROVIDED THE BUYER  
36 WITH THE ADDRESS OF THE APPROPRIATE COUNTY AGENCY WHERE THE BUYER

1 MAY REVIEW PLANS FOR ROADWAY CAPITAL IMPROVEMENTS AND LAND USE IN THE  
2 COUNTY WHERE THE HOME IS LOCATED.

3 (E) THE FAILURE OF THE SELLER OR THE SELLER'S AGENT TO INCLUDE THE  
4 NOTICE REQUIRED BY THIS SECTION IN THE CONTRACT OF SALE DOES NOT MAKE  
5 THE CONTRACT OF SALE INVALID, VOID, VOIDABLE, OR OTHERWISE  
6 UNENFORCEABLE BY THE SELLER OR THE BUYER.

7 (F) A VIOLATION OF THIS SECTION BY THE SELLER OR THE SELLER'S AGENT  
8 IS AN UNFAIR OR DECEPTIVE TRADE PRACTICE WITHIN THE MEANING OF TITLE 13  
9 OF THE COMMERCIAL LAW ARTICLE.

10 (G) A LICENSED ASSOCIATE REAL ESTATE BROKER, A LICENSED REAL ESTATE  
11 BROKER, OR A LICENSED REAL ESTATE SALESPERSON WHO VIOLATES THIS SECTION  
12 SHALL BE REFERRED TO THE STATE REAL ESTATE COMMISSION FOR DISCIPLINARY  
13 ACTION.

14 **Article - Business Occupations and Professions**

15 17-322.

16 (b) Subject to the hearing provisions of § 17-324 of this subtitle, the  
17 Commission may deny a license to any applicant, reprimand any licensee, or suspend  
18 or revoke a license if the applicant or licensee:

19 (33) violates any regulation adopted under this title or any provision of  
20 the code of ethics; [or]

21 (34) violates § 17-320(d) of this subtitle by failing as a branch office  
22 manager to exercise reasonable and adequate supervision over the provision of real  
23 estate brokerage services by any sales agent or associate broker registered with that  
24 office; OR

25 (35) VIOLATES ANY PROVISION OF § 10-703 OF THE REAL PROPERTY  
26 ARTICLE.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
28 construed only prospectively and may not be applied or interpreted to have any effect  
29 on or application to any contract of sale entered into before the effective date of this  
30 Act.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 October 1, 1999.