
By: **Delegates Bozman, Conway, and McClenahan**

Introduced and read first time: February 11, 1999

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Time-Shares - Sale of Foreclosed Time-Shares by Associations**

3 FOR the purpose of altering the definition of developer under the Maryland Real
4 Estate Time-Sharing Act to specifically exclude an association that resells
5 time-shares acquired by the association through foreclosure of a lien for
6 nonpayment of certain assessments and charges or by deed in lieu of foreclosure
7 from certain time-share owners who are delinquent in the payment of certain
8 assessments and charges; requiring associations in certain circumstances to
9 provide purchasers with a certain certificate containing certain information;
10 and generally relating to the Maryland Real Estate Time-Sharing Act.

11 BY repealing and reenacting, with amendments,
12 Article - Real Property
13 Section 11A-101(g) and 11A-115
14 Annotated Code of Maryland
15 (1996 Replacement Volume and 1998 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article - Real Property
18 Section 11A-101(a)
19 Annotated Code of Maryland
20 (1996 Replacement Volume and 1998 Supplement)

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

23 **Article - Real Property**

24 11A-101.

25 (a) In this title the following terms have the meanings indicated, unless the
26 context requires a different meaning.

27 (g) (1) "Developer" means any person in the business of creating or
28 disposing of that person's time-shares in time-share projects.

1 (2) "DEVELOPER" DOES NOT INCLUDE AN ASSOCIATION RESELLING
2 TIME-SHARES ACQUIRED BY THE ASSOCIATION:

3 (I) THROUGH FORECLOSURE OF A LIEN FOR NONPAYMENT OF
4 ASSESSMENTS OR OTHER CHARGES BY A TIME-SHARE OWNER AS PROVIDED IN §
5 11A-110 OF THIS TITLE; OR

6 (II) BY DEED IN LIEU OF FORECLOSURE FROM A TIME-SHARE
7 OWNER WHO IS DELINQUENT IN PAYMENT OF ASSESSMENTS OR OTHER CHARGES AS
8 PROVIDED IN § 11A-110 OF THIS TITLE.

9 11A-115.

10 (A) IN THIS SECTION, "TIME-SHARE OWNER" INCLUDES AN ASSOCIATION
11 RESELLING TIME-SHARES ACQUIRED BY THE ASSOCIATION:

12 (1) THROUGH FORECLOSURE OF A LIEN FOR NONPAYMENT OF
13 ASSESSMENTS OR OTHER CHARGES BY A TIME-SHARE OWNER AS PROVIDED IN §
14 11A-110 OF THIS TITLE; OR

15 (2) BY DEED IN LIEU OF FORECLOSURE FROM A TIME-SHARE OWNER
16 WHO IS DELINQUENT IN PAYMENT OF ASSESSMENTS OR OTHER CHARGES AS
17 PROVIDED IN § 11A-110 OF THIS TITLE.

18 [(a)] (B) In the event of the resale of a time-share by a time-share owner, the
19 selling time-share owner shall furnish to the purchaser before the execution of any
20 sales contract, or, if there is no sales contract, before the transfer of title or use, a copy
21 of the time-share instrument, other than plats and plans, and a certificate
22 containing:

23 (1) A statement disclosing the effect on the proposed transfer of any right
24 of first refusal or other restraint on transfer of the time-share or any portion thereof;

25 (2) A statement setting forth the amount of the periodic time-share
26 expense liability and any unpaid time-share expense or other sums currently due and
27 payable from the selling time-share owner in respect of the time-share;

28 (3) A statement of any other facility fees payable by time-share owners;
29 and

30 (4) A statement of any judgments or other matters that are or may
31 become liens against the time-share being sold or the time-share unit of which it is a
32 part and the status of any pending suits that may result in those liens.

33 [(b)] (C) The managing entity, within 10 days after a written request by the
34 selling time-share owner, shall for a reasonable fee furnish a certificate containing
35 the information necessary to enable the selling time-share owner to comply with this
36 section. A selling time-share owner providing a certificate from the managing entity
37 is not liable to the purchaser for any erroneous information provided by the managing

1 entity, other than for judgment liens against the time-share or the time-share unit of
2 which it is a part, but the managing entity shall be liable therefor.

3 [(c)] (D) The purchaser is not liable for any unpaid time-share expense or
4 facility fee greater than the amount set forth in a certificate prepared by the
5 managing entity. The selling time-share owner is not liable to the purchaser for the
6 failure or delay of a managing entity to provide the certificate in a timely manner.

7 [(d)] (E) Any purchaser may at any time within 7 days following receipt of all
8 information required by this section, cancel the sales contract without reason and
9 without liability. The purchaser, upon cancellation, is entitled to the return of any
10 deposits made on account of the contract. The rights of the purchaser under this
11 section may not be waived, and any attempted waiver is void.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 1999.