

Department of Legislative Services  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

House Bill 86 (Delegate Leonold. *et al.*)

Economic Matters

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

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This bill requires a seller of a home or a seller's agent to: (1) notify a buyer that in order to become fully informed of the effect of plans for roadway capital improvements and land use affecting the home, the buyer should consult the appropriate county agency for information regarding these plans; and (2) provide a buyer with the address of the appropriate county agency. The bill also requires the buyer to sign an addendum to the contract of sale indicating that these disclosures were made. A violation of the bill's provisions is an unfair or deceptive trade practice, and a licensed associate real estate broker, a licensed real estate broker, or a licensed real estate salesperson will be referred to the State Real Estate Commission for disciplinary action. However, failure of the seller or the seller's agent to make the required disclosures does not make the contract of sale unenforceable.

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**Fiscal Summary**

**State Effect:** Assuming that the Real Estate Commission holds 2 additional hearings each year as a result of this bill, general fund expenditures could increase by \$1,000 annually. Assuming that the Consumer Protection Division receives fewer than 50 complaints, any additional workload could be handled with existing resources. Any cost recovery by the Attorney General resulting from actions brought under the unfair and deceptive trade practices provision cannot be quantified beforehand.

**Local Effect:** None.

**Small Business Effect:** Minimal. There are 4,340 real estate brokers in Maryland; most real estate brokerages are small businesses. Small business expenditures (i.e., printing costs, research costs) could increase by a minimal amount in order to provide the additional disclosures required by this bill.

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**Information Sources:** Department of Labor, Licensing, and Regulation; Attorney General's Office

**Fiscal Note History:** First Reader - January 27, 1999

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Analysis by: Jo Ellan Jordan

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 946-5510

(301) 970-5510