

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 1393 (Calvert County Delegation)

Economic Matters

Maryland Condominium Act - Conditions of Right to Expand - Calvert County

This bill provides that in Calvert County, in an existing or new declaration establishing a condominium and notwithstanding anything in the declaration to the contrary, a right is deemed reserved in the developer, for a period not exceeding 15 years (instead of ten years), to add to the condominium any successive section described in the declaration and in the condominium plat.

The bill is effective October 1, 2000 and sunsets September 30, 2005.

Fiscal Summary

State Effect: Potential future increase in recordation and State transfer tax revenues from condominium units sold because of this bill. Any increase cannot be accurately estimated at this time, but is assumed to be minimal. Expenditures would not be affected.

Local Effect: Potential future increase in recordation and local transfer tax revenues for Calvert County from condominium units sold because of this bill. Any increase cannot be accurately estimated at this time, but is assumed to be minimal. Expenditures would not be affected.

Small Business Effect: Potential meaningful.

Analysis

Current Law: The declaration establishing the condominium must describe each parcel of property that may be included in each section to be added. The declaration must show the maximum number of units that may be added; the percentage interests in the common elements, expenses, and profits; and the number of votes appurtenant to each unit following the addition of each section of property to the condominium. The condominium plat for the original condominium must include the outlines of the land, buildings, and common elements of each successive section that may be added to the condominium. The declaration establishing a condominium must reserve a right in the developer, for a period not exceeding ten years, to add to the condominium any successive section described in the declaration and in the condominium plat.

A developer may reserve the right to expand a condominium by subjecting additional sections of property to the condominium regime. The percentage interests in the common elements of the unit owners in the preceding sections must be reduced and appropriate percentage interests in the common elements of the added sections must vest in those unit owners. The appropriate percentage interests in the common elements of the preceding sections must vest in the unit owners in the added sections.

Small Business Impact: Future revenues for small business condominium developers could increase in Calvert County because of the extension of the right to add to the condominium.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Calvert County, Office of the Attorney General, Department of Legislative Services

Fiscal Note History: First Reader - March 13, 2000
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