

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 82

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Surety Bonds, Letters of Credit, and Warranty Plans” and substitute “Regulation”; in line 6, after “General;” insert “clarifying certain disclosure requirements; exempting builders of custom homes from certain disclosure requirements;”; and in line 15, after “10-602,” insert “10-603,”.

AMENDMENT NO. 2

On page 2, in line 16, after “SUBTITLE 3” insert “, SUBTITLE 5,”.

AMENDMENT NO. 3

On page 7, after line 2, insert:

“10-603.

(a) If the builder does not participate in a new home warranty security plan:

(1) The builder must make a disclosure AT THE TIME OF THE PURCHASE OR CONSTRUCTION CONTRACT containing an explanation in 12 point type that:

(i) The owner should be aware that builders of new homes in the State of Maryland are [not] required to be [licensed by the State and are not licensed in most local jurisdictions] REGISTERED WITH THE CONSUMER PROTECTION DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL;

(ii) Without a new home warranty or other express warranties, the owner may be afforded only certain limited implied warranties as are provided by law; and

(Over)

(iii) 1. Describes any hazardous or regulated materials, including asbestos, lead-based paint, radon, methane, underground storage tanks, licensed landfills, unlicensed landfills, licensed rubble fills, unlicensed rubble fills, or other environmental hazards, present on the site of the new home of which the builder has actual knowledge; or

2. States that the builder is making no representations or warranties as to whether there is any hazardous or regulated material on the site of the new home;

(2) The owner shall acknowledge in writing that the owner understands that the builder does not participate in a new home warranty security plan and that the owner has read and understood the disclosure pursuant to paragraph (1) of this subsection; and

(3) Any purchase or construction contract entered into which does not contain the acknowledgment required by paragraph (2) of this subsection is voidable by the owner.

(b) (1) An owner who has made the acknowledgment described in subsection (a)(2) of this section may rescind the contract within 5 working days from the date of the contract by providing the builder with written notice of the owner's rescission of the contract; and

(2) Upon rescission, the owner shall be entitled to a refund of any money paid to the builder for the new home.

(C) A BUILDER CONSTRUCTING A CUSTOM HOME AS DEFINED IN § 10-501(C) OF THIS TITLE IS EXEMPT FROM THE DISCLOSURE REQUIREMENTS OF SUBSECTION(A)(1)(III) OF THIS SECTION.”.

On page 8, in line 15, strike “(i)”; in the same line, strike “Disclose” and substitute, “EXCEPT FOR A BUILDER CONSTRUCTING A CUSTOM HOME AS DEFINED IN § 10-501(C) OF THIS TITLE, DISCLOSE”; in the same line, strike “any” and substitute “AT THE TIME OF THE PURCHASE OR CONSTRUCTION CONTRACT:

(I) ANY”;

and in line 20, strike “Disclose to the owner that” and substitute “THAT”.

HB0082/783195/1
Amendments to HB 82
Page 3 of 2

ECM

(Over)