

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**

Senate Bill 121 (Senator Middleton)  
Judicial Proceedings

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**Maryland Condominium Act - Conditions of Right to Expand - Charles County**

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This bill provides that in Charles County, a right is deemed reserved in the developer in an existing or new declaration establishing a condominium, notwithstanding anything in the declaration to the contrary, 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.

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**Fiscal Summary**

**State Effect:** Potential future increase in recordation and State transfer tax revenues from condominium units sold because of this bill beginning in FY 2014. 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 Charles County from condominium units sold because of this bill beginning in FY 2014. 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.

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**Analysis**

**Current Law:** A developer may reserve the right to expand a condominium by subjecting additional sections of property to the condominium regime. As each additional section is subjected 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.

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. Except in Calvert County, 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.

Under Chapter 697 of 2000, in Calvert County, notwithstanding anything in a new or existing condominium 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. Chapter 697 terminates September 30, 2005.

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

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Secretary of State, Office of the Attorney General, Department of Legislative Services

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