

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1030

(Delegate Frush, *et al.*)
(Chairman, Joint Committee on the Chesapeake and
Atlantic Coastal Bays Critical Area)

Environmental Matters

Judicial Proceedings

Real Property Sales - Disclosure Requirements - Chesapeake and Atlantic
Coastal Bays Critical Area

This bill requires a contract or an addendum to a contract for the sale of real property to contain in conspicuous type a specific disclosure to buyers advising them of the possibility that the property may fall within the Chesapeake and Atlantic Coastal Bays Critical Area.

Fiscal Summary

State Effect: The bill would not directly affect State operations or finances.

Local Effect: The bill would not directly affect local operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: Contracts for the sale of real property are subject to specific disclosure requirements; for example, in Prince George's County, a contract for the sale of property on which a development impact fee has been imposed must contain a specific notice to the purchaser regarding the impact fee.

Background: Chapter 794 of 1984 established the Chesapeake Bay Critical Area Protection Program in the Department of Natural Resources to foster more sensitive development activity in a consistent and uniform manner along shoreline areas of the

Chesapeake Bay and its tributaries. Chapter 433 of 2002 expanded the Chesapeake Bay Critical Area Law to include the Atlantic Coastal Bays and their tributaries. Under the program, development in the critical area is limited, based on a local jurisdiction's critical area program. These restrictions, depending on the location of the property, may include limits on forest clearing, limits on impervious surfaces, setback requirements, and limits on housing densities. Because current law does not require a disclosure regarding the critical area, some buyers may be unaware that the properties they are interested in fall within the critical area.

Additional Information

Prior Introductions: None.

Cross File: SB 482 (Senator Dyson, *et al.*) – Judicial Proceedings.

Information Source(s): Department of Labor, Licensing, and Regulation; Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2004
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