

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 17

(Senator Dyson, *et al.*)

Judicial Proceedings

Environmental Matters

Residential Real Property Sales - Notice Requirements - Military Operations and
Testing

This bill requires a contract for the sale of residential real property to contain a disclosure advising the buyer that the property may be located near a military installation that conducts flight operations, munitions testing, or military operations that may result in high noise levels. The disclosure must also advise the buyer to contact the public affairs office of the nearest military installation to determine whether the property may be affected by testing or operations at the installation. All local laws requiring a substantially similar notice prevail over the bill's provisions.

Fiscal Summary

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

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

Small Business Effect: Minimal.

Analysis

Current Law: Contracts for the sale of real property are subject to specific disclosure requirements. For example, a contract must include, if applicable, information about property subject to a ground rent, water and sewer costs, development impact fees in Prince George's County, agriculturally assessed property in St. Mary's and Charles counties, and the cost of recordation or transfer taxes.

A seller of single family residential real property must also complete and give to the purchaser a written disclosure or disclaimer statement about the condition of the property before executing the contract of sale. A disclaimer statement must state that the seller makes no representations or warranties as to the condition of the property or any improvements and that the purchaser will be receiving the property "as is." A disclosure statement must include information of which the seller has actual knowledge about: (1) water and sewer systems; (2) insulation; (3) structural systems; (4) plumbing, electrical heating, and air conditioning systems; (5) infestation of wood-destroying insects; (6) land use matters; (7) hazardous or regulated materials; (8) any other material defects about which the seller knows; and (9) whether the smoke detectors will provide an alarm in the event of a power outage.

Background: The Southern Maryland Addendum to the Maryland State Association of Realtors Standard Contract includes information similar to that required under the bill.

Local Effect: Prince George's and St. Mary's counties advise that local property tax revenues, as well as recordation and transfer tax revenues, could decrease to the extent that potential home purchasers are dissuaded from those purchases or purchase for lower prices. It should be noted, however, that similar information is already included in the addendum to standard real estate contracts in Calvert, Charles, and St. Mary's counties.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, St. Mary's County, Calvert County, Charles County, Office of the Attorney General, Department of Legislative Services

Fiscal Note History: First Reader - January 14, 2005
mam/jr Revised - Senate Third Reader - March 29, 2005

Analysis by: T. Ryan Wilson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510