

Department of Legislative Services  
Maryland General Assembly  
2006 Session

FISCAL AND POLICY NOTE

House Bill 876 (Delegate Kelley, *et al.*)  
Environmental Matters

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**Residential Real Property Sales - Notice Requirements - Sexual Offenders**

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This bill requires a contract for the sale of residential real property to contain a statement advising the buyer to exercise whatever due diligence that the buyer considers necessary with respect to information on any registered sexual offender. The statement must also advise that the information can be obtained from the local law enforcement agency, the Department of State Police, or the Department of Public Safety and Correctional Services (DPSCS).

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**Fiscal Summary**

**State Effect:** The bill's requirements could be handled with the existing budget resources of the Department of Labor, Licensing, and Regulation.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**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 Maryland Real Estate Commission is responsible for developing the State's standard real estate disclosure and disclaimer forms.

DPSCS maintains the State's sexual offender registry. It is accessible and searchable through the DPSCS web site; it contains information on each registrant, including information about the registrant's residence and offense. Information on sexual offenders in local jurisdictions is also available through any local law enforcement authority in that jurisdiction, as well as through the State Police.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**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 21, 2006  
ncs/jr

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