

HB1562/495866/1

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 1562
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “requiring” in line 10 down through “circumstances;” in line 13; in line 17, after “district;” insert “prohibiting a vendor of certain property within a special taxing district from enforcing a contract for the sale of the property unless the purchaser of the property is provided with certain information relating to the special taxing district on or before entering into the contract of sale and the contract of sale contains a certain notice; providing that a vendor may provide a purchaser with certain information by providing the purchaser with a certain collection of documents; providing that a vendor may rely on certain documents filed in the land records when providing the purchaser with certain information; providing that a purchaser under a contract for the sale of certain property within a special taxing district may cancel the contract within a certain time after receiving certain information; providing that unless the purchaser consents, settlement of a contract for the sale of certain property within a special taxing district may not take place within a certain time after a purchaser receives certain information; requiring a vendor to refund certain deposits under certain circumstances; providing that a vendor is liable for certain damages caused by certain false statements or omissions; providing that an action against a vendor for certain false statements or omissions must be brought within a certain time;”;

and in line 19, after “improvements” insert “and to the sale of property located within certain special taxing districts”.

On page 1, after line 29, insert:

“BY adding to
Article – Real Property
Section 10-706

(Over)

Annotated Code of Maryland
(2003 Replacement Volume and 2007 Supplement)".

AMENDMENT NO. 2

On page 4, after line 33, insert:

“(III) THE COUNTY SHALL HOLD AT LEAST ONE PUBLIC HEARING ON A BILL CREATING A SPECIAL TAXING DISTRICT.”

On page 5, in lines 1, 11, and 23, strike “(III)”, “(IV)”, and “(V)”, respectively, and substitute “(IV)”, “(V)”, and “(VI)”, respectively; in line 1, strike “THE” and substitute “A”; and strike beginning with “REQUIRE:” in line 12 down through “THAT” in line 21 and substitute “**REQUIRE THAT**”.

On page 5, after line 27, insert:

“Article – Real Property

10-706.

(A) (1) THIS SECTION APPLIES ONLY TO THE SALE OF RESIDENTIAL REAL PROPERTY IN CECIL COUNTY.

(2) THIS SECTION DOES NOT APPLY TO:

(I) A SALE OF PROPERTY TO A PURCHASER WHO DOES NOT INTEND TO OCCUPY THE PROPERTY; OR

(II) A SALE IN AN ACTION TO FORECLOSE A MORTGAGE, DEED OF TRUST, OR OTHER LIEN.

(B) THE VENDOR OF PROPERTY THAT IS SUBJECT TO A TAX OF A SPECIAL TAXING DISTRICT AS AUTHORIZED IN ARTICLE 24, § 9-1301(C) OF THE CODE MAY NOT ENFORCE A CONTRACT FOR THE SALE OF THE PROPERTY UNLESS:

(1) THE PURCHASER OF THE PROPERTY IS PROVIDED WITH THE FOLLOWING INFORMATION IN WRITING ON OR BEFORE ENTERING INTO THE CONTRACT FOR THE SALE OF THE PROPERTY:

(i) A DESCRIPTION OF THE AREA INCLUDED WITHIN THE SPECIAL TAXING DISTRICT;

(ii) THE MAXIMUM AMOUNT OF BONDS AND OTHER OBLIGATIONS TO BE ISSUED WITH RESPECT TO THE SPECIAL TAXING DISTRICT;

(iii) A DESCRIPTION OF THE PURPOSES FOR WHICH THE SPECIAL TAXING DISTRICT WAS CREATED, AND FOR WHICH THE BONDS OR OTHER OBLIGATIONS HAVE BEEN ISSUED, INCLUDING A DESCRIPTION OF ANY IMPROVEMENTS;

(iv) THE AMOUNT OF SPECIAL TAXES LEVIED ON THE PROPERTY FOR THE MOST RECENT YEAR OR, IF TAXES WERE NOT LEVIED ON THE PROPERTY FOR THE MOST RECENT YEAR, A GOOD-FAITH ESTIMATE OF THE ANNUAL TAX THAT WILL BE LEVIED ON THE PROPERTY;

(v) THE MAXIMUM AMOUNT OF SPECIAL TAXES THAT MAY BE LEVIED ON THE PROPERTY IN A YEAR;

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(VI) THE PROJECTED TIME PERIOD OVER WHICH ANY BONDS OR OBLIGATIONS ISSUED IN CONNECTION WITH THE SPECIAL TAXING DISTRICT ARE TO BE REPAID; AND

(VII) A DESCRIPTION OF THE PURCHASER'S RIGHT TO FULLY PREPAY THE SPECIAL TAXING DISTRICT OBLIGATIONS; AND

(2) THE CONTRACT FOR THE SALE OF THE PROPERTY CONTAINS A NOTICE, WRITTEN IN CONSPICUOUS, BOLD, AND UNDERSCORED TYPE, THAT IS SUBSTANTIALLY THE SAME AS THE FOLLOWING:

“NOTICE REQUIRED BY MARYLAND LAW

THE PROPERTY THAT IS THE SUBJECT OF THIS CONTRACT IS LOCATED WITHIN A SPECIAL TAXING DISTRICT, WHICH HAS BEEN CREATED FOR THE PURPOSE OF FINANCING OR REFINANCING THE COSTS RELATED TO CERTAIN INFRASTRUCTURE IMPROVEMENTS WITHIN THE TAXING DISTRICT. THESE COSTS WILL BE REPAID FROM THE PROCEEDS OF SPECIAL TAXES COLLECTED FROM THE OWNERS OF PROPERTIES LOCATED WITHIN THE SPECIAL TAXING DISTRICT.

STATE LAW REQUIRES THAT THE SELLER DISCLOSE TO YOU, AT OR BEFORE THE TIME YOU ENTER INTO THIS CONTRACT, THE FOLLOWING INFORMATION: (1) A DESCRIPTION OF THE AREA INCLUDED WITHIN THE SPECIAL TAXING DISTRICT, (2) THE MAXIMUM AMOUNT OF BONDS AND OTHER OBLIGATIONS TO BE ISSUED WITH RESPECT TO THE SPECIAL TAXING DISTRICT, (3) A DESCRIPTION OF THE PURPOSES FOR WHICH THE SPECIAL TAXING DISTRICT WAS CREATED, AND FOR WHICH THE BONDS OR OTHER OBLIGATIONS HAVE BEEN ISSUED, INCLUDING A DESCRIPTION OF ANY INFRASTRUCTURE IMPROVEMENTS, (4) THE AMOUNT OF SPECIAL TAXES LEVIED ON THE

PROPERTY FOR THE MOST RECENT YEAR OR, IF TAXES WERE NOT LEVIED ON THE PROPERTY FOR THE MOST RECENT YEAR, A GOOD-FAITH ESTIMATE OF THE ANNUAL TAX THAT WILL BE LEVIED ON THE PROPERTY, (5) THE MAXIMUM AMOUNT OF SPECIAL TAXES THAT MAY BE LEVIED ON THE PROPERTY IN A YEAR, (6) THE PROJECTED TIME PERIOD OVER WHICH ANY BONDS OR OBLIGATIONS ISSUED IN CONNECTION WITH THE SPECIAL TAXING DISTRICT ARE TO BE REPAID, AND (7) YOUR RIGHT AS THE PROSPECTIVE OWNER OF THE PROPERTY TO FULLY PREPAY THE SPECIAL TAXING DISTRICT OBLIGATIONS WITH RESPECT TO THE PROPERTY.

YOU HAVE 20 CALENDAR DAYS FROM THE DATE YOU RECEIVE THE ABOVE INFORMATION RELATING TO THE SPECIAL TAXING DISTRICT TO CANCEL THIS CONTRACT BY SENDING A WRITTEN NOTICE OF CANCELLATION TO THE SELLER. YOU ARE NOT REQUIRED TO STATE A REASON FOR CANCELLING THE CONTRACT. UPON CANCELLATION OF THE CONTRACT, YOU ARE ENTITLED TO A REFUND OF ANY DEPOSIT YOU MAY HAVE MADE UNDER THIS CONTRACT.

A SELLER MAY NOT REQUIRE THAT YOU WAIVE YOUR RIGHT TO RECEIVE THE INFORMATION RELATING TO THE SPECIAL TAXING DISTRICT OR YOUR RIGHT TO CANCEL THE CONTRACT WITHIN 20 CALENDAR DAYS OF RECEIPT OF THE INFORMATION. A SELLER MAY NOT REQUIRE THAT YOU CLOSE THE SALE UNDER THIS CONTRACT WITHIN 20 CALENDAR DAYS FROM THE DATE YOU RECEIVE THE INFORMATION RELATING TO THE SPECIAL TAXING DISTRICT.

STATE LAW PROVIDES THAT ANY SELLER WHO, IN DISCLOSING THE INFORMATION RELATING TO THE SPECIAL TAXING DISTRICT, MAKES ANY FALSE STATEMENT OF A MATERIAL FACT OR OMITTS A MATERIAL FACT THAT, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THE STATEMENTS WERE MADE, IS NECESSARY TO MAKE THE STATEMENTS NOT MISLEADING IS LIABLE TO THE PURCHASER FOR DAMAGES PROXIMATELY CAUSED BY THE SELLER'S FALSE OR

(Over)

OMITTED STATEMENT. ANY ACTION FOR DAMAGES CAUSED BY THE SELLER'S FALSE STATEMENT OR OMISSION OF A MATERIAL FACT MUST BE BROUGHT WITHIN 1 YEAR FROM THE DATE OF CLOSING UNDER THIS CONTRACT.

YOU SHOULD CAREFULLY REVIEW THE INFORMATION RELATING TO THE SPECIAL TAXING DISTRICT PROVIDED BY THE SELLER TO FAMILIARIZE YOURSELF WITH YOUR RIGHTS AND OBLIGATIONS AS A PROSPECTIVE OWNER OF PROPERTY LOCATED WITHIN THE SPECIAL TAXING DISTRICT."

(C) (1) THE REQUIREMENTS OF SUBSECTION (B)(1) OF THIS SECTION SHALL BE DEEMED FULFILLED IF THE INFORMATION REQUIRED TO BE PROVIDED TO THE PURCHASER IS PROVIDED TO THE PURCHASER IN WRITING, IN A CLEAR AND CONCISE MANNER.

(2) A VENDOR MAY PROVIDE THE PURCHASER WITH THE INFORMATION REQUIRED UNDER SUBSECTION (B)(1) OF THIS SECTION BY PROVIDING THE PURCHASER WITH A COLLECTION OF DOCUMENTS IF THE DOCUMENTS CONVEY THE INFORMATION REQUIRED UNDER SUBSECTION (B)(1) OF THIS SECTION IN A CLEAR AND CONCISE MANNER.

(3) IN SATISFYING THE REQUIREMENTS OF SUBSECTION (B)(1) OF THIS SECTION, THE VENDOR MAY RELY ON ANY DOCUMENT THAT, IN CONNECTION WITH THE CREATION OF THE SPECIAL TAXING DISTRICT, WAS FILED BY THE OWNER OF THE PROPERTY IN THE LAND RECORDS OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

(D) (1) A PURCHASER UNDER A CONTRACT FOR THE SALE OF PROPERTY THAT IS SUBJECT TO THIS SECTION MAY CANCEL THE CONTRACT WITHIN 20 CALENDAR DAYS OF RECEIVING THE INFORMATION UNDER

SUBSECTION (B)(1) OF THIS SECTION BY DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE VENDOR.

(2) UNLESS THE PURCHASER CONSENTS TO AN EARLIER SETTLEMENT DATE, THE SETTLEMENT OF A CONTRACT FOR THE SALE OF PROPERTY THAT IS SUBJECT TO THIS SECTION MAY NOT TAKE PLACE WITHIN 20 CALENDAR DAYS FROM THE DATE THE PURCHASER RECEIVES THE INFORMATION REQUIRED UNDER SUBSECTION (B)(1) OF THIS SECTION.

(3) NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE DELIVERED BY:

(I) HAND-DELIVERY; OR

(II) FIRST-CLASS MAIL.

(4) ON CANCELLATION OF A CONTRACT FOR THE PURCHASE OF PROPERTY UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE VENDOR SHALL REFUND TO THE PURCHASER ANY DEPOSITS PAID BY, OR ON BEHALF OF, THE PURCHASER UNDER THE CANCELLED CONTRACT.

(E) (1) ANY VENDOR THAT, IN PROVIDING THE PURCHASER WITH THE INFORMATION REQUIRED UNDER SUBSECTION (B)(1) OF THIS SECTION, MAKES ANY FALSE STATEMENT OF A MATERIAL FACT OR OMITTS A MATERIAL FACT THAT, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THE STATEMENTS WERE MADE, IS NECESSARY TO MAKE THE STATEMENTS NOT MISLEADING IS LIABLE TO THE PURCHASER FOR DAMAGES PROXIMATELY CAUSED BY THE VENDOR'S FALSE OR OMITTED STATEMENT.

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(2) AN ACTION BROUGHT UNDER PARAGRAPH (1) OF THIS SUBSECTION MUST BE BROUGHT WITHIN 1 YEAR FROM THE DATE OF SETTLEMENT OF THE CONTRACT OF SALE.”.