

HOUSE BILL 1410

N1, Q1

8lr2256

By: **Delegate Ali**

Introduced and read first time: February 8, 2008

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Truth in Advertising Real Estate Taxes Act**

3 FOR the purpose of prohibiting a seller or seller's agent from producing or distributing
4 certain material in connection with the advertisement for sale of certain
5 residential real property unless the material discloses certain estimated taxes
6 in a certain manner; requiring the Division of Consumer Protection of the Office
7 of the Attorney General to assist sellers and sellers' agents in estimating certain
8 information required to be disclosed; providing that a seller or seller's agent is
9 not liable for certain incorrect information disclosed under certain
10 circumstances; imposing certain penalties for certain violations; requiring the
11 Division to enforce certain provisions; defining certain terms; and generally
12 relating to certain real estate tax disclosure requirements for the sale of certain
13 residential property.

14 BY adding to

15 Article – Real Property

16 Section 10–801 to be under the new subtitle “Subtitle 8. Truth in Advertising
17 Real Estate Taxes”

18 Annotated Code of Maryland

19 (2003 Replacement Volume and 2007 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article – Real Property**

23 **SUBTITLE 8. TRUTH IN ADVERTISING REAL ESTATE TAXES.**

24 **10–801.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
2 MEANINGS INDICATED.

3 (2) “DIVISION” MEANS THE DIVISION OF CONSUMER
4 PROTECTION IN THE OFFICE OF THE ATTORNEY GENERAL.

5 (3) “FULL-YEAR PROPERTY TAX” INCLUDES:

6 (I) ALL STATE, COUNTY, MUNICIPAL CORPORATION, OR
7 SPECIAL DISTRICT PROPERTY TAXES; AND

8 (II) ANY OTHER NONTAX FEE OR CHARGE INCLUDED ON
9 THE CONSOLIDATED TAX BILL.

10 (B) A SELLER OR SELLER’S AGENT MAY NOT PRODUCE OR TRANSMIT
11 ANY WRITTEN OR ELECTRONICALLY TRANSMITTED MATERIAL IN CONNECTION
12 WITH THE ADVERTISEMENT FOR SALE OF SPECIFIC RESIDENTIAL PROPERTY IN
13 THE STATE UNLESS THE MATERIAL DISCLOSES THE ESTIMATED FULL-YEAR
14 PROPERTY TAX THAT A BUYER WOULD BE OBLIGATED TO PAY IN THE NEXT FULL
15 TAX YEAR AFTER THE PROPERTY IS TRANSFERRED, BASED ON ALL APPLICABLE
16 RATES IN FORCE WHEN THE MATERIAL IS PRODUCED.

17 (C) IF ANY WRITTEN OR ELECTRONICALLY TRANSMITTED MATERIAL
18 SUBJECT TO THE REQUIREMENTS OF THIS SECTION MENTIONS BOTH THE
19 ANNUAL PROPERTY TAX THAT THE CURRENT OWNER IS OBLIGATED TO PAY AND
20 THE ANNUAL PROPERTY TAX THAT A BUYER WOULD BE OBLIGATED TO PAY
21 AFTER THE PROPERTY IS TRANSFERRED, THE MATERIAL SHALL:

22 (1) FEATURE BOTH TAX AMOUNTS EQUALLY PROMINENTLY; AND

23 (2) PRESENT THE PROPERTY TAX THAT THE BUYER WOULD BE
24 OBLIGATED TO PAY EITHER IMMEDIATELY BEFORE OR IMMEDIATELY AFTER
25 THE PROPERTY TAX THAT THE CURRENT OWNER IS OBLIGATED TO PAY.

26 (D) THE ESTIMATE REQUIRED TO BE DISCLOSED UNDER SUBSECTION
27 (B) OF THIS SECTION SHALL BE UPDATED:

28 (1) EACH JULY 1, TO REFLECT CHANGES IN THE RATES OF ANY
29 TAX, FEE, OR OTHER CHARGE; AND

30 (2) ON OR BEFORE JANUARY 31, IF THE CURRENT TAX YEAR IS
31 THE THIRD YEAR OF THE PROPERTY’S 3-YEAR ASSESSMENT CYCLE, TO REFLECT
32 THE REVISED ASSESSED VALUE OF THE PROPERTY FOR THE NEXT TAX YEAR AS
33 DETERMINED BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION.

1 **(E) (1) THE DIVISION SHALL ASSIST SELLERS AND SELLERS' AGENTS**
2 **IN ESTIMATING THE INFORMATION REQUIRED TO BE DISCLOSED UNDER**
3 **SUBSECTION (B) OF THIS SECTION.**

4 **(2) A SELLER OR THE SELLER'S AGENT IS NOT LIABLE FOR ANY**
5 **INCORRECT INFORMATION DISCLOSED UNDER THIS SECTION IF THE SELLER OR**
6 **SELLER'S AGENT RELIED IN GOOD FAITH ON A METHOD APPROVED OR**
7 **RECOMMENDED BY THE DIVISION TO ESTIMATE THE INFORMATION.**

8 **(F) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A**
9 **MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT**
10 **EXCEEDING 6 MONTHS OR A FINE NOT EXCEEDING \$1,000 OR BOTH.**

11 **(G) THE DIVISION SHALL ENFORCE THE PROVISIONS OF THIS SECTION.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2008.