

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 233

(Delegate Ali, *et al.*)

Environmental Matters

Budget and Taxation and Judicial  
Proceedings

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Full Disclosure of Real Estate Taxes Act

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This bill requires the disclosure and disclaimer form issued by the State Real Estate Commission to contain the following statement: “Due to a variety of Maryland property tax credit programs, the buyer’s property tax bill may be significantly different than the tax bill paid previously by the seller of the property. Buyers should contact the local government for an estimate of their property tax obligation.”

The bill takes effect July 1, 2009.

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Fiscal Summary

**State Effect:** None. Updating the disclosure and disclaimer form does not affect the Department of Labor, Licensing, and Regulation’s (DLLR) operations or finances.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** Sellers of single-family residential real properties must provide to each buyer either a written residential property condition disclosure statement form or a written residential property disclaimer statement form, provided by the State Real Estate Commission.

**Background:** The Maryland Real Estate Commission has a link to the residential property disclosure and disclaimer form on DLLR web site at [www.dllr.state.md.us](http://www.dllr.state.md.us).

**Exhibit 1** shows the number of residential property sales, by county, for fiscal 2004 through 2008.

**State Fiscal Effect:** DLLR indicates that updating the disclosure and disclaimer form would not have an effect on agency expenditures as the form is a model and is not directly provided to real estate professionals. In addition, the form is updated periodically to conform to changes mandated by the General Assembly.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 10, 2009  
mam/hlb Revised - House Third Reader - March 19, 2009

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**Exhibit 1**  
**Residential Property Sales**  
**Fiscal 2004-2008**

| <b>County</b>   | <b>FY 2004</b> | <b>FY 2005</b> | <b>FY 2006</b> | <b>FY 2007</b> | <b>FY 2008</b> |
|-----------------|----------------|----------------|----------------|----------------|----------------|
| Allegany        | 574            | 624            | 656            | 570            | 456            |
| Anne Arundel    | 11,035         | 10,648         | 10,002         | 7,571          | 5,451          |
| Baltimore City  | 4,269          | 6,130          | 4,255          | 7,100          | 4,392          |
| Baltimore       | 13,119         | 13,980         | 13,516         | 11,234         | 7,756          |
| Calvert         | 1,366          | 1,391          | 1,227          | 855            | 504            |
| Caroline        | 353            | 469            | 544            | 423            | 244            |
| Carroll         | 2,880          | 2,797          | 2,654          | 2,118          | 1,494          |
| Cecil           | 1,460          | 1,491          | 1,381          | 1,166          | 776            |
| Charles         | 2,785          | 3,164          | 3,295          | 2,766          | 1,529          |
| Dorchester      | 366            | 439            | 413            | 369            | 248            |
| Frederick       | 5,526          | 5,095          | 4,830          | 3,549          | 2,020          |
| Garrett         | 141            | 154            | 132            | 130            | 95             |
| Harford         | 4,622          | 5,109          | 5,112          | 3,961          | 2,827          |
| Howard          | 5,481          | 5,448          | 5,263          | 4,404          | 3,387          |
| Kent            | 232            | 188            | 212            | 187            | 150            |
| Montgomery      | 19,174         | 19,907         | 18,220         | 13,757         | 9,176          |
| Prince George's | 12,327         | 15,578         | 16,003         | 9,457          | 3,370          |
| Queen Anne's    | 794            | 762            | 803            | 617            | 387            |
| St. Mary's      | 1,446          | 1,628          | 1,536          | 1,251          | 942            |
| Somerset        | 121            | 168            | 183            | 149            | 68             |
| Talbot          | 686            | 710            | 593            | 485            | 288            |
| Washington      | 1,878          | 2,181          | 1,944          | 1,498          | 930            |
| Wicomico        | 1,264          | 1,307          | 1,231          | 1,115          | 762            |
| Worcester       | 453            | 268            | 260            | 239            | 325            |
| <b>Total</b>    | <b>92,352</b>  | <b>99,636</b>  | <b>94,265</b>  | <b>74,971</b>  | <b>47,577</b>  |

Source: State Department of Assessments and Taxation

