

Department of Legislative Services
2010 Session

FISCAL AND POLICY NOTE

House Bill 109

(Delegate Ali)

Environmental Matters

Budget and Taxation

Residential Property Tax Disclaimer Act

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, 2010.

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.

Analysis

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

Background: The State Real Estate Commission has a link to the residential property disclosure and disclaimer form on the DLLR web site at www.dllr.state.md.us.

Exhibit 1 shows the number of residential property sales, by county, for fiscal 2005 through 2009.

Exhibit 1
Residential Property Sales
Fiscal 2005-2009

<u>County</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Allegany	624	656	570	456	339
Anne Arundel	10,648	10,002	7,571	5,451	4,114
Baltimore City	6,130	4,255	7,100	4,392	2,774
Baltimore	13,980	13,516	11,234	7,756	5,531
Calvert	1,391	1,227	855	504	411
Caroline	469	544	423	244	124
Carroll	2,797	2,654	2,118	1,494	1,108
Cecil	1,491	1,381	1,166	776	580
Charles	3,164	3,295	2,766	1,529	970
Dorchester	439	413	369	248	160
Frederick	5,095	4,830	3,549	2,020	1,327
Garrett	154	132	130	95	81
Harford	5,109	5,112	3,961	2,827	1,995
Howard	5,448	5,263	4,404	3,387	2,582
Kent	188	212	187	150	99
Montgomery	19,907	18,220	13,757	9,176	7,676
Prince George's	15,578	16,003	9,457	3,370	2,713
Queen Anne's	762	803	617	387	283
St. Mary's	1,628	1,536	1,251	942	724
Somerset	168	183	149	68	58
Talbot	710	593	485	288	201
Washington	2,181	1,944	1,498	930	490
Wicomico	1,307	1,231	1,115	762	527
Worcester	268	260	239	325	192
Total	99,636	94,265	74,971	47,577	35,059

Source: State Department of Assessments and Taxation

State Fiscal Effect: DLLR indicates that updating the disclosure and disclaimer form does not affect agency expenditures as the form is only a model for use by real estate professionals. In addition, the form is updated periodically to conform to changes mandated by the General Assembly.

Additional Information

Prior Introductions: HB 233 of 2009, as amended, passed the House and was heard in the Senate Budget and Taxation and the Senate Judicial Proceedings Committees, but no further action was taken.

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

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mlm/kdm

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