

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 541 (Montgomery County Delegation)
Environment and Transportation

Judicial Proceedings

Montgomery County – Residential Property Sales – School District Information
MC 01-21

This bill requires a contract of sale for a single-family residential property in Montgomery County to include a notice stating that school boundaries designated for the property may be subject to change. A contract may not be voided solely because either the notice required under the bill is not included in the contract or the buyer does not initial the notice.

Fiscal Summary

State Effect: The bill does not directly affect State operations or finances.

Local Effect: The bill does not directly affect Montgomery County operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: Statutory provisions set forth numerous requirements regarding statements, disclosures, and notices in contracts for the sale of property, including provisions relating to:

- notice of estimated deferred water and sewer charges;
- notice of costs of recordation or transfer taxes;
- notice that the subject property may be located in a “critical area” of the Chesapeake Bay and Atlantic Coastal Bays;
- notice of specified development impact fees;

- notice of protection by the Real Estate Guaranty Fund; and
- notices related to deposits, specified contractual provisions, and warranties.

Many requirements regarding such statements, disclosures, and notices vary depending on the type of property at issue and/or the jurisdiction where the property is located. Generally, unless otherwise specifically established, a contract of sale is not rendered invalid by the omission of any statement, disclosure, or notice.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Montgomery County; Judiciary (Administrative Office of the Courts); Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - February 12, 2021
rh/jkb Third Reader - March 5, 2021

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