

HOUSE BILL 1056

N1

3lr1372

By: **Delegate Queen**

Introduced and read first time: February 10, 2023

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Warranties – Duration of Warranties and Repair of Defects**

3 FOR the purpose of altering the expiration date of certain implied warranties for dwellings
4 and establishing a procedure for the resolution of an alleged breach of an implied
5 warranty prior to an owner commencing an action regarding the alleged breach; and
6 generally relating to home warranties.

7 BY repealing and reenacting, with amendments,
8 Article – Real Property
9 Section 10–201, 10–203, and 10–204
10 Annotated Code of Maryland
11 (2015 Replacement Volume and 2022 Supplement)

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

14 **Article – Real Property**

15 10–201.

16 (a) In this subtitle the following words have the meanings indicated unless
17 otherwise apparent from context.

18 **(B) “BUILDING STANDARDS” MEANS THE MATERIALS AND INSTALLATION**
19 **STANDARDS OF THE MARYLAND BUILDING PERFORMANCE STANDARDS, AS**
20 **AMENDED BY THE LOCAL JURISDICTION IN WHICH THE PROPERTY IS LOCATED.**

21 **[(b)] (C)** “Improvements” includes every newly constructed private dwelling
22 unit, and fixture and structure which is made a part of a newly constructed private dwelling
23 unit at the time of construction by any building contractor or subcontractor.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 ~~[(c)]~~ (D) “Purchaser” means the original purchaser of improved realty, and the
2 heirs and personal representatives of the original purchaser.

3 ~~[(d)]~~ (E) “Realty” includes both freehold estates and redeemable leasehold
4 estates.

5 ~~[(e)]~~ (F) “Vendor” means any person engaged in the business of erecting or
6 otherwise creating an improvement on realty, or to whom a completed improvement has
7 been granted for resale in the course of his business.

8 10–203.

9 (a) Except as provided in subsection (b) of this section or unless excluded or
10 modified pursuant to subsection (d) of this section, in every sale, warranties are implied
11 that, at the time of the delivery of the deed to a completed improvement or at the time of
12 completion of an improvement not completed when the deed is delivered, the improvement
13 is:

14 (1) Free from faulty materials;

15 (2) Constructed according to [sound engineering] **BUILDING** standards;

16 (3) Constructed in a workmanlike manner; and

17 (4) Fit for habitation.

18 (b) The warranties of subsection (a) of this section do not apply to any condition
19 that an inspection of the premises would reveal to a reasonably diligent purchaser at the
20 time the contract is signed.

21 (c) If the purchaser, expressly or by implication, makes known to the vendor the
22 particular purpose for which the improvement is required, and it appears that the
23 purchaser relies on the vendor’s skill and judgment, there is an implied warranty that the
24 improvement is reasonably fit for the purpose.

25 (d) Neither words in the contract of sale, nor the deed, nor merger of the contract
26 of sale into the deed is effective to exclude or modify any implied warranty. However, if the
27 contract of sale pertains to an improvement then completed, an implied warranty may be
28 excluded or modified wholly or partially by a written instrument, signed by the purchaser,
29 setting forth in detail the warranty to be excluded or modified, the consent of the purchaser
30 to exclusion or modification, and the terms of the new agreement with respect to it.

31 10–204.

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

3 (2) (I) “MAJOR CONSTRUCTION DEFECT” MEANS ACTUAL DAMAGE
4 TO THE LOAD-BEARING PORTION OF A DWELLING, INCLUDING DAMAGE DUE TO THE
5 SUBSIDENCE, EXPANSION, OR LATERAL MOVEMENT OF THE SOIL, THAT AFFECTS
6 THE LOAD-BEARING FUNCTION AND THAT VITALLY AFFECTS OR IS IMMINENTLY
7 LIKELY TO VITALLY AFFECT THE USE OF THE DWELLING FOR RESIDENTIAL
8 PURPOSES.

9 (II) “MAJOR CONSTRUCTION DEFECT” DOES NOT INCLUDE
10 DAMAGE DUE TO THE MOVEMENT OF THE SOIL CAUSED BY FLOOD, EARTHQUAKE, OR
11 OTHER NATURAL DISASTER.

12 (3) “WARRANTY DATE” MEANS:

13 (I) FOR A DWELLING COMPLETED AT THE TIME OF THE
14 DELIVERY OF THE DEED TO THE ORIGINAL PURCHASER, THE DATE OF DELIVERY OR
15 THE TAKING OF POSSESSION BY THE ORIGINAL PURCHASER, WHICHEVER OCCURS
16 FIRST;

17 (II) FOR A DWELLING NOT COMPLETED AT THE TIME OF
18 DELIVERY OF THE DEED TO THE ORIGINAL PURCHASER, THE DATE OF THE
19 COMPLETION OR THE TAKING OF POSSESSION BY THE ORIGINAL PURCHASER,
20 WHICHEVER OCCURS FIRST; AND

21 (III) IN THE CASE OF A STRUCTURAL DEFECT, THE DATE OF
22 COMPLETION, DELIVERY, OR TAKING OF POSSESSION, WHICHEVER OCCURS FIRST.

23 (B) If any warranty provided for in this subtitle is breached, the court may award
24 legal or equitable relief, or both, as justice requires.

25 [(b)] (C) Unless an express warranty specifies a longer period of time, the
26 warranties provided for in this subtitle expire:

27 (1) [In the case of a dwelling completed at the time of the delivery of the
28 deed to the original purchaser, one year after the delivery or after the taking of possession
29 by the original purchaser, whichever occurs first] **FOR A DEFECT CAUSED BY FAULTY
30 WORKMANSHIP OR DEFECTIVE MATERIALS DUE TO NONCOMPLIANCE WITH
31 BUILDING STANDARDS, 1 YEAR AFTER THE WARRANTY DATE;**

32 (2) [In the case of a dwelling not completed at the time of delivery of the
33 deed to the original purchaser, one year after the date of the completion or taking of
34 possession by the original purchaser, whichever occurs first] **FOR A DEFECT RESULTING**

1 FROM FAULTY INSTALLATION OF PLUMBING, ELECTRICAL, OR HEATING AND
2 COOLING SYSTEMS DUE TO NONCOMPLIANCE WITH BUILDING STANDARDS, 2 YEARS
3 AFTER THE WARRANTY DATE; and

4 (3) [In the case of structural defects, two years after the date of completion,
5 delivery, or taking possession, whichever occurs first] **FOR MAJOR CONSTRUCTION**
6 **DEFECTS DUE TO NONCOMPLIANCE WITH BUILDING STANDARDS, 10 YEARS AFTER**
7 **THE WARRANTY DATE.**

8 [(c)] (D) The warranties provided under this section do not expire on the
9 subsequent sale of a dwelling by the original purchaser to a subsequent purchaser, but
10 continue to protect the subsequent purchaser until the warranties provided under
11 subsection [(b)] (C) of this section expire. The warranties provided under this section do
12 not apply to any defect caused by the original purchaser.

13 [(d)] (E) [Any] **EXCEPT AS PROVIDED IN SUBSECTION (G)(2) OF THIS**
14 **SECTION, ANY** action arising under this subtitle shall be commenced within [two] 2 years
15 after the defect was discovered or should have been discovered, or within [two] 2 years
16 after the expiration of the warranty, whichever occurs first.

17 (F) (1) **PRIOR TO COMMENCING AN ACTION UNDER THIS SUBTITLE, AN**
18 **OWNER MUST PROVIDE A VENDOR WITH WRITTEN NOTICE OF THE ALLEGED DEFECT.**

19 (2) (I) **WITHIN 30 DAYS AFTER NOTICE PROVIDED UNDER**
20 **PARAGRAPH (1) OF THIS SUBSECTION, A VENDOR MAY REQUEST, AND AN OWNER**
21 **SHALL ALLOW, A HOME INSPECTION FOR THE PURPOSES OF THE PREPARATION OF**
22 **AN OFFER TO REPAIR THE ALLEGED DEFECT.**

23 (II) **ANY DAMAGE TO THE DWELLING RESULTING FROM AN**
24 **INSPECTION PERFORMED BY THE VENDOR MUST BE REPAIRED PROMPTLY BY THE**
25 **VENDOR.**

26 (3) **WITHIN 15 DAYS AFTER THE COMPLETION OF AN INSPECTION**
27 **PERFORMED IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION, THE**
28 **VENDOR SHALL PROVIDE TO THE OWNER A WRITTEN OFFER TO REPAIR STATING:**

29 (I) **THE SCOPE OF THE PROPOSED WORK TO BE PERFORMED;**

30 (II) **A PROPOSED DATE ON WHICH THE REPAIR WORK MAY**
31 **BEGIN; AND**

32 (III) **AN ESTIMATED DATE OF COMPLETION.**

1 **(4) IF THE VENDOR AND THE OWNER AGREE TO THE SCOPE OF WORK**
2 **PROVIDED UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE VENDOR SHALL**
3 **PERFORM THE REPAIR IN ACCORDANCE WITH THE OFFER TO REPAIR.**

4 **(5) THIS SUBSECTION DOES NOT PRECLUDE AN OWNER FROM**
5 **SECURING A SEPARATE, INDEPENDENT INSPECTION BY A CONTRACTOR OR FROM**
6 **NEGOTIATING WITH THE VENDOR FOR A DIFFERENT SCOPE OF WORK.**

7 **(G) (1) AN OWNER MAY COMMENCE AN ACTION FOR A BREACH OF**
8 **WARRANTY UNDER THIS SUBTITLE IF:**

9 **(I) THE VENDOR DOES NOT REQUEST OR PERFORM AN**
10 **INSPECTION UNDER SUBSECTION (F)(2) OF THIS SECTION;**

11 **(II) THE VENDOR FAILS TO MAKE AN OFFER TO REPAIR AS**
12 **REQUIRED UNDER SUBSECTION (F)(3) OF THIS SECTION; OR**

13 **(III) THE PARTIES CANNOT AGREE TO THE TERMS PROVIDED IN**
14 **THE OFFER TO REPAIR REQUIRED UNDER SUBSECTION (F)(3) OF THIS SECTION.**

15 **(2) THE STATUTE OF LIMITATIONS UNDER THIS SECTION SHALL BE**
16 **TOLLED FOR 180 DAYS FROM THE DATE THAT THE WRITTEN NOTICE REQUIRED**
17 **UNDER SUBSECTION (F)(1) OF THIS SECTION IS POSTMARKED, OR, IF THE WRITTEN**
18 **NOTICE IS NOT SENT BY FIRST-CLASS MAIL, THE DATE THAT THE NOTICE IS**
19 **RECEIVED BY THE VENDOR.**

20 **(H) THE PROVISIONS OF THIS SECTION MAY NOT BE WAIVED BY CONTRACT**
21 **OR AGREEMENT.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2023.