

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 821 (Montgomery County Delegation)
Environment and Transportation

**Montgomery County - New Single-Family Residential Real Property Sales -
Contract Requirements**
MC 17-23

This bill requires a contract of sale for a new single-family home in Montgomery County to (1) identify, to the extent known, the name, address, and telephone number of each contractor or subcontractor that performed (or will perform) work on the property and (2) require the vendor or builder to deliver to the purchaser at the time of settlement an updated list. The bill’s provisions do not apply to the sale of a custom home, as specified.

Fiscal Summary

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

Local Effect: The bill does not materially 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;
- notices related to deposits, specified contractual provisions, and warranties; and
- notice that the subject property may be located in a zone of dewatering influence.

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. For example, contracts of sale for a single-family residential property in Montgomery County must specifically include a notice stating that school boundaries designated for the property may be subject to change. Generally, unless otherwise specifically provided, a contract of sale is not rendered invalid by the omission of any statement, disclosure, or notice.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

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 - March 2, 2023
km/jkb

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