

HB1408/193521/1

BY: Environment and Transportation Committee

AMENDMENTS TO HOUSE BILL 1408
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, strike “vendor and purchaser of” and substitute “seller and buyer of certain”; strike beginning with “requiring” in line 5 down through “Act;” in line 7 and substitute “establishing that a buyer is entitled to a refund of any deposit paid for the purchase of residential real property under certain circumstances; requiring that a contract of sale comply with the requirements of this Act;”; in line 11, after “10–714” insert “and 14-177(e)(24)”; and after line 13, insert:

“BY repealing and reenacting, with amendments,
Article - Real Property
Section 14-117(e)(22) and (23)
Annotated Code of Maryland
(2023 Replacement Volume)”.

AMENDMENT NO. 2

On page 1, strike in their entirety lines 20 and 21.

On page 2, in line 1, strike “**(3)**” and substitute “**(2)**”; and strike in their entirety lines 4 through 28, inclusive and substitute:

“(3) “WHOLESALE BUYER” MEANS A PERSON THAT ENTERS INTO A CONTRACT OF SALE WITH AN OWNER OF OWNER-OCCUPIED RESIDENTIAL PROPERTY IN ORDER TO ASSIGN THE CONTRACT TO ANOTHER PERSON FOR A MONETARY ASSIGNMENT FEE.

“(4) “WHOLESALE SELLER” MEANS A PERSON THAT, WITHOUT HOLDING LEGAL TITLE TO OWNER-OCCUPIED RESIDENTIAL PROPERTY:

(I) ENTERS INTO A CONTRACT OF SALE FOR THE PROPERTY;

AND

(II) ASSIGNS THE PERSON'S BENEFICIAL INTEREST IN THE PROPERTY TO ANOTHER.

(B) THIS SECTION DOES NOT APPLY TO A SALES PROCEEDING UNDER § 14-215 OF THE MARYLAND RULES.

(C) (1) BEFORE ENTERING INTO A CONTRACT OF SALE FOR RESIDENTIAL PROPERTY, A WHOLESALER SHALL DISCLOSE IN WRITING TO THE OWNER OF THE PROPERTY THAT THE WHOLESALER MAY ASSIGN THE CONTRACT OF SALE TO ANOTHER PERSON.

(2) BEFORE ENTERING INTO A CONTRACT OF SALE FOR RESIDENTIAL PROPERTY, A WHOLESALER SHALL DISCLOSE IN WRITING TO A PROSPECTIVE BUYER THAT THE WHOLESALER HOLDS AN EQUITABLE INTEREST IN THE PROPERTY AND MAY NOT BE ABLE TO CONVEY TITLE TO THE PROPERTY.

(D) NOTWITHSTANDING ANY PROVISION OF A CONTRACT OF SALE OR ANY OTHER AGREEMENT, AN OWNER OF RESIDENTIAL PROPERTY MAY RESCIND A CONTRACT OF SALE TO A WHOLESALER, OR THE ASSIGNEE OR SUCCESSOR OF A WHOLESALER, WITHOUT PENALTY AT ANY TIME BEFORE CLOSING IF THE WHOLESALER BUYER:

(1) DOES NOT PROVIDE NOTICE IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION; AND

(2) ASSIGNS THE CONTRACT OF SALE.

(E) (1) NOTWITHSTANDING ANY PROVISION OF A CONTRACT OF SALE OR ANY OTHER AGREEMENT, A BUYER MAY RESCIND A CONTRACT OF SALE FOR RESIDENTIAL PROPERTY WITHOUT PENALTY AT ANY TIME BEFORE CLOSING IF A WHOLESALE SELLER DOES NOT PROVIDE NOTICE IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION.

(2) A BUYER THAT RESCINDS A CONTRACT UNDER PARAGRAPH (1) OF THIS SUBSECTION IS ENTITLED TO A REFUND OF ANY DEPOSIT PAID FOR THE PROPERTY.

14-117.

(e) A contract of sale shall also comply with the following provisions, if applicable:

(22) Section 6-824 of the Environment Article (disclosure pertaining to obligations to perform risk reduction); [and]

(23) Section 10-711 of this article (notice on zones of dewatering influence); AND

(24) SECTION 10-714 OF THIS ARTICLE (DISCLOSURE PERTAINING TO ASSIGNMENT OF CONTRACTS OF SALE BY WHOLESALE BUYERS AND WHOLESALE SELLERS)."