

SENATE BILL 160

N1

(5lr0618)

ENROLLED BILL

— *Judicial Proceedings/Environment and Transportation* —

Introduced by **Senator Waldstreicher**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Residential Property – Assignment of Contracts of Sale – Disclosure**
3 **Requirements and Rescission**

4 FOR the purpose of authorizing a seller ~~and, buyer,~~ or assignee of certain residential
5 property to rescind a contract of sale under certain circumstances; establishing that
6 ~~a buyer~~ an assignee is entitled to a refund of any deposit paid for the purchase of
7 residential real property under certain circumstances; requiring that a contract of
8 sale comply with the requirements of this Act; and generally relating to residential
9 property and the assignment and rescission of contracts of sale.

10 BY adding to
11 Article – Real Property
12 Section 10–715 and 14–117(e)(24)
13 Annotated Code of Maryland
14 (2023 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



BY repealing and reenacting, with amendments,
Article – Real Property
Section 14–117(e)(22) and (23)
Annotated Code of Maryland
(2023 Replacement Volume and 2024 Supplement)

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

Article – Real Property

10–715.

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

(2) “RESIDENTIAL PROPERTY” MEANS PROPERTY IMPROVED BY
FOUR OR FEWER SINGLE–FAMILY DWELLING UNITS THAT ARE DESIGNED
PRINCIPALLY AND ARE INTENDED FOR HUMAN HABITATION.

(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 SALE PROCEEDING UNDER §
14–215 OF THE MARYLAND RULES.

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

(2) BEFORE ~~ENTERING INTO~~ ASSIGNING A CONTRACT OF SALE FOR
RESIDENTIAL PROPERTY, A WHOLESALE SELLER SHALL DISCLOSE IN WRITING TO A

1 PROSPECTIVE ~~BUYER~~ ASSIGNEE THAT THE WHOLESALE SELLER HOLDS AN
2 EQUITABLE INTEREST IN THE PROPERTY AND MAY NOT BE ABLE TO CONVEY TITLE
3 TO THE PROPERTY.

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

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

11 (2) ASSIGNS THE CONTRACT OF SALE.

12 (E) (1) NOTWITHSTANDING ANY PROVISION OF A CONTRACT OF SALE OR
13 ANY OTHER AGREEMENT, ~~A BUYER~~ AN ASSIGNEE MAY RESCIND ~~A THE AGREEMENT~~
14 TO PURCHASE UNDER THE ASSIGNED CONTRACT OF SALE FOR RESIDENTIAL
15 PROPERTY WITHOUT PENALTY AT ANY TIME BEFORE CLOSING IF A WHOLESALE
16 SELLER DOES NOT PROVIDE NOTICE IN ACCORDANCE WITH THE REQUIREMENTS OF
17 THIS SECTION.

18 (2) ~~A BUYER~~ AN ASSIGNEE THAT RESCINDS A CONTRACT UNDER
19 PARAGRAPH (1) OF THIS SUBSECTION IS ENTITLED TO A REFUND OF ANY DEPOSIT
20 PAID FOR THE IN CONNECTION WITH THE ASSIGNMENT OF A CONTRACT OF SALE OF
21 THE RESIDENTIAL PROPERTY.

22 14–117.

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

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

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

28 (24) SECTION 10–715 OF THIS ARTICLE (DISCLOSURE PERTAINING TO
29 ASSIGNMENT OF CONTRACTS OF SALE BY WHOLESALE BUYERS AND WHOLESALE
30 SELLERS).

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
32 apply only prospectively and may not be applied or interpreted to have any effect on or

1 application to any contracts of sale for residential property executed before the effective
2 date of this Act.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2025.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.