



## **House Bill 200 – Sale of Residential Real Property – Required Flood Risk Disclosure**

### **Position: Favorable with Amendments**

The Maryland REALTORS® support HB 200 which mandates a disclosure form about flood risk in Maryland real estate transactions. The REALTORS® propose amendments to clarify aspects of the legislation.

REALTORS® in Maryland represent both sellers and buyers of real estate and want to ensure their clients are informed about the property they are purchasing. Being informed about a property does not mean throwing information at a buyer hoping they read it, but ensuring the disclosure is likely to be read by the buyer when real estate contracts easily run over 50 pages. It is also important in the interest of sellers to ensure the disclosure is easy to comply with.

The REALTORS® amendments make the rules that apply to this disclosure the same as the Seller Property Condition and Disclosure Act which exempts certain properties like commercial properties, the initial sale of property, foreclosure and estate and other transactions where there is no owner to attest to a flooding event. Licensees are knowledgeable about the process for disclosure in this act. The amendments also consolidate the seller's disclosure into one form rather than the Maryland Department of Environment (MDE) form and additional disclosure items. The amendments remove the requirement that sellers produce an accounting of any money received from flood claims. This can be difficult for a seller to produce particularly if the flooding event was many years ago.

With these amendments, the REALTORS® support HB 200 which will provide important information to buyers and ensure sellers can comply.

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Amendments to HB 200 – Sale of Residential Real Property – Required Flood Risk Disclosure  
(First Reading File Bill)

**AMENDMENT 1:**

On page 3, after line 21, add:

**(B) THIS SECTION APPLIES ONLY TO SINGLE FAMILY RESIDENTIAL REAL PROPERTY IMPROVED BY FOUR OR FEWER SINGLE FAMILY UNITS.**

**(1) THIS SECTION DOES NOT APPLY TO:**

**(I) THE INITIAL SALE OF SINGLE FAMILY RESIDENTIAL REAL PROPERTY:**

**1. THAT HAS NEVER BEEN OCCUPIED; OR**

**2. FOR WHICH A CERTIFICATE OF OCCUPANCY HAS BEEN ISSUED WITHIN 1 YEAR BEFORE THE VENDOR AND PURCHASER ENTER INTO A CONTRACT OF SALE;**

**(II) A TRANSFER THAT IS EXEMPT FROM THE TRANSFER TAX UNDER § 13-207 OF THE TAX--PROPERTY ARTICLE, EXCEPT LAND INSTALLMENT CONTRACTS OF SALE UNDER § 13-207(A)(11) OF THE TAX--PROPERTY ARTICLE AND OPTIONS TO PURCHASE REAL PROPERTY UNDER § 13-207(A)(12) OF THE TAX--PROPERTY ARTICLE;**

**(III) A SALE BY A LENDER OR AN AFFILIATE OR SUBSIDIARY OF A LENDER THAT ACQUIRED THE REAL PROPERTY BY FORECLOSURE OR DEED IN LIEU OF FORECLOSURE;**  
**(IV) A SHERIFF'S SALE, TAX SALE, OR SALE BY FORECLOSURE, PARTITION, OR BY COURT APPOINTED TRUSTEE;**

**(V) A TRANSFER BY A FIDUCIARY IN THE COURSE OF THE ADMINISTRATION OF A DECEDENT'S ESTATE, GUARDIANSHIP, CONSERVATORSHIP, OR TRUST;**

**(VI) A TRANSFER OF SINGLE FAMILY RESIDENTIAL REAL PROPERTY TO BE CONVERTED BY THE BUYER INTO A USE OTHER THAN RESIDENTIAL USE OR TO BE DEMOLISHED; OR**  
**(VII) A SALE OF UNIMPROVED REAL PROPERTY.**

**AMENDMENT 2:**

On page 3, line 22, strike “(B)” and insert “(C)”

On page 3 and 4 strike lines 25 through line 4 on page 4 and insert:

**(1) A COMPLETED FLOOD RISK DISCLOSURE STATEMENT FORM DEVELOPED AND PUBLISHED BY THE DEPARTMENT OF THE ENVIRONMENT UNDER SECTION 5-810 OF THE ENVIRONMENT ARTICLE, AND, IF AVAILABLE, A COPY OF THE FEMA ELEVATION CERTIFICATE FOR THE PROPERTY.**