

SENATE BILL 160

N1
HB 1408/24 – ENT

(PRE-FILED)

5lr0618
CF HB 124

By: **Senator Waldstreicher**

Requested: July 20, 2024

Introduced and read first time: January 8, 2025

Assigned to: Judicial Proceedings

A BILL ENTITLED

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 of certain residential property to rescind
5 a contract of sale under certain circumstances; establishing that a buyer is entitled
6 to a refund of any deposit paid for the purchase of residential real property under
7 certain circumstances; requiring that a contract of sale comply with the
8 requirements of this Act; and generally relating to residential property and the
9 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)

15 BY repealing and reenacting, with amendments,
16 Article – Real Property
17 Section 14–117(e)(22) and (23)
18 Annotated Code of Maryland
19 (2023 Replacement Volume and 2024 Supplement)

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

22 **Article – Real Property**

23 **10–715.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(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 A CONTRACT OF SALE FOR RESIDENTIAL PROPERTY, A WHOLESALE SELLER SHALL DISCLOSE IN WRITING TO A PROSPECTIVE BUYER THAT THE WHOLESALE SELLER 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 WHOLESALE BUYER, OR THE ASSIGNEE OR SUCCESSOR OF A WHOLESALE BUYER, WITHOUT PENALTY AT ANY TIME BEFORE CLOSING IF THE WHOLESALE BUYER:

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

(2) ASSIGNS THE CONTRACT OF SALE.

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

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

9 14–117.

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

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

13 (23) Section 10–711 of this article (notice on zones of dewatering influence);
14 **AND**

15 **(24) SECTION 10–715 OF THIS ARTICLE (DISCLOSURE PERTAINING TO**
16 **ASSIGNMENT OF CONTRACTS OF SALE BY WHOLESALE BUYERS AND WHOLESALE**
17 **SELLERS).**

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
19 apply only prospectively and may not be applied or interpreted to have any effect on or
20 application to any contracts of sale for residential property executed before the effective
21 date of this Act.

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