

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1183

(Delegate Branch, *et al.*)

Environmental Matters

Finance

Residential Real Property - Mold Assessment Standards - Task Force

This bill establishes the Task Force on the Development of Mold Assessment Standards in Residential Real Property, staffed by the Department of Health and Mental Hygiene (DHMH). The task force must • study the feasibility of adopting standards for quantities of mold in indoor environments in residential real property that do not adversely affect health or property values; and • make recommendations to DHMH and the Maryland Department of Environment (MDE) regarding the development of these standards. A report with findings and recommendations is due to DHMH, MDE, and the General Assembly by December 31, 2008.

The bill is effective July 1, 2007 and terminates December 31, 2008.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for DHMH could be handled with existing resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Contracts for the sale of real property are subject to specific disclosure requirements. For example, a contract must include, if applicable, information about property subject to a ground rent, water and sewer costs, development impact fees in

Prince George's County, agriculturally assessed property in St. Mary's and Charles counties, and the cost of recordation or transfer taxes. However, a seller is not specifically required to assess and provide information on the levels of mold in residential property.

A seller of single-family residential real property must also complete and give to the purchaser a written disclosure or disclaimer statement about the condition of the property before executing the contract of sale. A disclaimer statement must state that the seller makes no representations or warranties as to the condition of the property or any improvements and that the purchaser will be receiving the property "as is." A disclosure statement must include information of which the seller has actual knowledge about: (1) water and sewer systems; (2) insulation; (3) structural systems; (4) plumbing, electrical heating, and air conditioning systems; (5) infestation of wood-destroying insects; (6) land use matters; (7) hazardous or regulated materials; (8) any other material defects about which the seller knows; and (9) whether the smoke detectors will provide an alarm in the event of a power outage. A seller is not required to undertake or provide an independent investigation or inspection of the property to make the required disclosures.

In most jurisdictions, a contract for the sale of residential real property must contain a disclosure advising the buyer that the property may be located near a military installation that may result in high noise levels.

Generally, failure to comply with one of the disclosure or disclaimer requirements results in the purchaser having a right to pursue monetary damages and does not void the contract of sale. However, a purchaser who does not receive a standard disclosure or disclaimer statement on or before entering into the contract of sale may void the contract under specified circumstances.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

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