

2005 MARYLAND LEGISLATION OF INTEREST
TO REAL PROPERTY ATTORNEYS

By: Lawrence S. Conn, Esquire
Baxter, Baker, Sidle, Conn & Jones, P.A.
Chair, Code Revision Committee
Section of Real Property, Planning and Zoning
Maryland State Bar Association

The following bills affecting real property were passed by the General Assembly of Maryland at this year's session. The bills are listed, for the most part, in numerical order within the various Articles of the Annotated Code of Maryland.

Approximately 2,600 bills were filed in the General Assembly in 2005. The Real Property Code Revision Committee reviewed approximately 200 bills and commented on over 100 bills. I wish to express my appreciation to all the members of the Committee for their time and effort in reviewing and commenting on the bills and in attending our weekly meetings, with particular thanks to Paul Rieger for his assistance in preparing this summary.

This year's committee members were:

- Thomas C. Barbuti
- Timothy D.A. Chriss
- Lawrence S. Conn
- Lila Shapiro Cyr
- Mark D. Dopkin
- Lisa M. L. Eisemann
- Nancy Haas
- William M. Hoffman
- Edward J. Levin
- Michael H. Mannes
- James C. Oliver
- Russell R. Reno, Jr.
- J. Paul Rieger, Jr.
- Robert E. Scher
- Theresa B. Shea (Vice-Chair)
- Regan J. R. Smith
- Raymond G. Truitt

The complete text of all bills introduced in this year's session can be found on the Maryland General Assembly's website at <http://mlis.state.md.us>. Unless otherwise specifically noted, the bills will become effective as of October 1, 2005.

This report is prepared on behalf of the Section of Real Property, Planning and Zoning of the Maryland State Bar Association for use by members of the Section. Section members may reprint, reproduce and use this report provided that appropriate attribution to the Section is included. Any other use of the report without the permission of the Section is prohibited. This report is a summary and does not constitute legal advice by its author, the Section or the MSBA.

I. REAL PROPERTY ARTICLE

A. Chapter 35 (HB 204) – Repeals and reenacts, with amendments, Section 3-104(a) and (g) of the Real Property Article.

Real Property – Deeds or Other Instruments – Prerequisites to Recording

This bill clarifies various provisions of Section 3-104 that authorize “streamlined” recording, (i.e., the use of an intake sheet in lieu of a separate stop at the local Department of Assessments office in the particular County.) The bill provides that the Clerk may not refuse to record an instrument that does not “effect a change of ownership on the assessment books” solely because such instrument is not accompanied by an intake sheet. However, the bill provides that the Clerk may refuse to record a deed or instrument that effects a change of ownership on the assessment books if the deed or instrument is not accompanied by a completed intake sheet or has not been previously stamped (“endorsed as transferred”) by the Assessment office. In those cases where the instrument is submitted for transfer on the assessment books without an intake sheet, the person offering the deed or instrument must mail or deliver “to the person having charge of the assessment books the information required on the intake sheet.”

Effective July 1, 2005.

B. Chapter 271 (HB 1421) – Repeals and reenacts, with amendments, Section 3 -105(b) of the Real Property Article.

Real Property – Release of Mortgages and Deeds of Trust - Retention Requirement.

This bill eliminates the requirement that the Clerk of the Court retain, for a period of 25 years, any mortgage or deed of trust that has been released by an endorsement entered on the original mortgage or deed of trust.

Effective June 1, 2005.

C. Chapter 509 (SB 761) – Adds Section 7-105 (a-l) and (h); and 7-301 through 7-321, inclusive, to be under the new subtitle “Subtitle 3. Protection of Homeowners in Foreclosure” of the Real Property Article; repeals and reenacts, with amendments, Section 13-204(12) and (13), and adds Section 13-204(14) of the Commercial Law Article.

Real Property – Foreclosure - Protection of Homeowners

This bill provides a new procedure to protect the rights of homeowners subject to a foreclosure proceeding. The bill is fairly complex and every real estate attorney should become familiar with its provisions. The following is only a basic description of the new law.

The bill is designed to closely regulate the activities of “foreclosure consultants” – persons who may attempt to strip away valuable equity held by a homeowner being foreclosed, by either taking title to the property while paying-off or assuming the homeowner’s mortgage payments, or by taking an assignment of the homeowner’s right to surplus proceeds following a foreclosure. The bill accomplishes these goals by: (1) requiring that the party bringing the foreclosure initially notify the homeowner of possible, subsequent contact from foreclosure consultants; (2) by regulating the content of certain agreements that may be entered into between the foreclosure consultant (and others) and the homeowner and (3) by providing an enforcement mechanism, including potential criminal penalties.

Regarding initial notification, the bill provides that the party bringing the foreclosure must give written notice of the foreclosure action to the record owner of the property no later than 2 days after the action to foreclose is docketed. The notice must be provided by both certified mail, postage prepaid, return receipt requested, and by first-class mail. The notice must inform the homeowner that a foreclosure action may be or has been docketed and that a foreclosure sale of property will be held. The notice must also contain the following statement printed in at least 14 point boldface type:

Mortgage foreclosure is a complex process. Some people may approach you about “saving” your home. You should be careful about any such promises.

The State encourages you to become informed about your options in foreclosure before entering into any agreements with anyone in connection with the foreclosure of your home. There are government agencies and nonprofit organizations that you may contact for helpful information about the foreclosure process. For the name and telephone number of an organization near you, please call the Consumer Protection Division of the Office of the Attorney General of Maryland at 1-888-743-0023. The State does not guarantee the advice of these organizations.

Do not delay dealing with the foreclosure because your options may become more limited as time passes.

Regarding the interactions between homeowner and foreclosure consultant, the bill defines a “foreclosure consultant” very broadly. A foreclosure consultant is any person who solicits or contacts a homeowner in virtually any manner and “directly or indirectly makes a representation or offer to perform any service that the person represents” will delay or stop a foreclosure sale, obtain forbearance or an extension of time or will assist the homeowner in obtaining a loan or advance of funds, save the homeowner’s credit, or will allow the homeowner to remain in the home as a tenant or otherwise, or engages “in any documentation, grant, conveyance, sale, lease, trust, or gift by which the homeowner clogs the homeowner’s equity of redemption in the homeowner’s residence...”. Alternatively, the bill defines a “foreclosure consultant” as a person who “systematically contacts owners of property that court records or newspaper advertisements show are in foreclosure or are in danger of foreclosure.” The term “foreclosure consulting service” is, likewise, broadly defined, mirroring the activities of the mortgage “foreclosure consultant.” The term “foreclosure consulting service” also includes contacting creditors of the homeowner, arranging for the sale of the property, privately “within 20 days of an advertised or docketed foreclosure sale,” or arranging the sale or transfer of title “in any form to another party as an alternative to foreclosure.”

Three points of interaction between the homeowner and foreclosure consultant are particularly regulated: (1) the “foreclosure consulting contract,” meaning any sort of written or verbal agreement

between the foreclosure consultant and homeowner, whereby the foreclosure consultant agrees to provide foreclosure consulting services or provide for a “foreclosure reconveyance”; (2) the “foreclosure reconveyance” agreement, whereby the homeowner transfers title to a person (a “foreclosure purchaser”) by either a deed conveyance or by a mortgage transfer, and the re-conveyance, or promise of conveyance back (in any form, including, e.g. lease, trust, land installment contract) that allows the homeowner to possess the property; and (3) the “foreclosure surplus acquisition” contract, whereby the homeowner assigns the homeowner’s rights to foreclosure surplus “based on an audit account during a foreclosure proceeding” to a “foreclosure surplus purchaser.”

Entering into any of these arrangements gives rise to very specific notification and rescission rights in favor of the homeowner. The notices must contain required terms, some of which must be reproduced in certain type sizes and/or in bold type. The provisions are summarized as follows:

(1) Foreclosure consulting contract:

- Rescindable by homeowner at any time
- If rescinded, homeowner must repay any money spent on homeowner’s behalf within 60 days along with interest at 8% a year
- Must be printed in 12 point type and written in the same language that is used by the homeowner and was used in discussions with the foreclosure consultant
- Must fully disclose exact nature of services provided, any required reconveyance, any compensation received
- Must be dated and personally signed by parties before a Maryland notary
- Must contain a specific statutory notice in 14 point boldface type
- Must contain name and address of foreclosure consultant and date of signing by homeowner
- Must include, in duplicate, a separate “Notice of Rescission” form in 15 point type
- Foreclosure consultant must provide homeowner with signed, dated copy
- Homeowner’s rights are non-waivable; purported waivers are void

(2) Foreclosure Reconveyance

- Foreclosure purchaser cannot enter into foreclosure reconveyance with homeowner unless foreclosure purchaser can verify homeowner’s ability to pay for reconveyance back per terms of foreclosure reconveyance; law provides guidelines for application of rebuttable presumption to determine whether homeowner has reasonable ability to pay
- Homeowner has a right to rescind within 3 days of entry into the foreclosure reconveyance
- If terms of foreclosure reconveyance provide for sale to third party, if sale occurs within 18 months after entry into foreclosure reconveyance agreement, foreclosure purchaser must pay homeowner an amount equal to 82% of the net proceeds from the sale within 90 days thereof and provide homeowner with detailed accounting on form prescribed by Attorney General
- Whether included in a foreclosure consulting contract or arranged thereafter, “foreclosure purchaser” must provide homeowner with both a statutory “Notice of Transfer of Deed or Title” and a “Notice of Right to Cancel Transfer of Deed or Title.”

- “Notice of Transfer of Deed or Title” must be printed in 12 point type and written in the same language that is used by the homeowner and was used in discussions with the foreclosure consultant or foreclosure purchaser
- Must be dated and personally signed by parties before a Maryland notary
- Must describe in detail the terms of any foreclosure reconveyance
- Must contain a complete description of the terms of any related agreement designed to allow homeowner to remain in the home, including all related documents
- Must contain separate statement in statutory language advising of right to rescind the transfer of title within 3 days of entry into the foreclosure reconveyance and obligation to repay, within 60 days, any money spent on homeowner’s behalf along with interest at 8% a year
- “Notice of Right to Cancel Transfer of Deed or Title” must be a separate document printed in 14 point type and contain certain statutory information informing homeowner of right to rescind
- Foreclosure purchaser must provide homeowner with a copy of the Notice, immediately on execution of foreclosure reconveyance
- Homeowner’s rights are non-waivable; purported waivers are void
- Transfer to foreclosure purchaser pursuant to foreclosure reconveyance to be effective, must be via a settlement with non-affiliated settlement agent, with HUD-1 provided for homeowner; cannot be made via power of attorney
- During 3-day rescission period, the transfer document may not be recorded, nor may foreclosure purchaser record any other transfer or encumbrance of the property
- Within 10 days after receipt of rescission notice, foreclosure purchaser must return transfer documents to homeowner, without condition
- After compliance with foreclosure reconveyance terms, foreclosure purchaser must reconvey title to homeowner in timely manner
- A bona fide purchaser for value or bona fide lender for value who enters into the transaction with a homeowner or a foreclosure purchaser when the foreclosure consulting contract is in effect or during the period when the foreclosure reconveyance may be rescinded, without notice of those facts, receives good title to the property, free and clear the right of the parties to the foreclosure consulting contract or the right of the homeowner to rescind the foreclosure reconveyance
- The statute does not impose any duty on a purchaser, title insurer, or title insurance producer with respect to the application of the proceeds of the sale of the property by foreclosure purchaser

(3) Foreclosure Surplus Acquisition Contract

- Must be printed in at least 12 point type and written in the same language that is used by the homeowner and the foreclosure surplus purchaser to negotiate the sale of the residence in foreclosure
- Must be fully completed, dated and personally signed by parties before the statement of account has been referred to the Auditor
- Must include total consideration to be given by foreclosure surplus purchaser

- Must include a complete description of the terms of payment and services provided by foreclosure surplus purchaser
- Must contain a statutory notice in 14 point boldface type (“Notice Required By Maryland Law”) advising homeowner to seek legal counsel and that the effect of “these documents is that you may lose the equity in your home.”
- The Notice must also state that “This agreement will not stop the foreclosure or get your house back. If you believe that the foreclosure sale is improper, you should immediately seek legal advice to determine what objections to the ratification or to rescind the order of ratification may be filed.”
- The Notice must also advise that the homeowner may rescind the contract at any time within 10 days after the Auditor states the account of the foreclosure sale and that “as part of the rescission, you must repay from the surplus proceeds, any consideration received, directly or indirectly together with an amount for interest calculated at the rate of 8 percent a year.”
- Must also be accompanied by a completed, separate, duplicate “Notice of Rescission” form in at least 15 point type, advising homeowner of right to rescind
- Foreclosure surplus purchaser must provide homeowner with copy of contract and attached Notice of Rescission at time of execution
- The contract survives delivery of foreclosure sale deed and is “binding in the audit.”
- Homeowner’s rights are non-waivable; purported waivers are void
- On receipt of the Notice of Rescission, Auditor shall restate the account
- On receipt of the Notice of Rescission, foreclosure surplus purchaser shall return contract and any other signed documents to homeowner within 10 days

The bill also provides that the Maryland Attorney General may enjoin those violating the statute and that a court may enter any order or judgment to prevent prohibited practices, restore money or property to a victim or appoint a receiver. A homeowner may bring an action for damages and may also recover legal fees. Willful or knowing violations may entitle the homeowner to treble damages. The statute also provides that “a person who violates any provision of this subtitle is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 3 years or a fine not exceeding \$10,000 or both.”

Because of the potentially onerous consequences, the bill specifically excludes certain parties from its effects, including a Maryland attorney performing any activity related to the individual’s regular practice of law. Also excluded, in certain cases, are lienholders and loan servicers; banks, trust companies and credit unions; judgment creditors; title insurers and title insurance producers; licensed mortgage brokers and mortgage lenders; licensed real estate brokers and salespersons and nonprofit counseling services.

As a direct response to Simard v. White, 383 Md. 257 (2004), the bill also provides that the entry of an order for resale on default by a purchaser at a foreclosure sale: “(1) does not affect the prior ratification of the sale and does not restore to the mortgagor or former record owner, any right or remedy that was extinguished by the prior sale and its ratification and (2) extinguishes all interest of the defaulting purchaser in the real property being foreclosed and in the proceeds of the resale.”

An emergency measure, the bill took effect on May 26, 2005.

D. Chapter 18 (SB 322) – Repeals and reenacts, with amendments, Section 8-110 (g) of the Real Property Article.

Baltimore City – Redemption of Ground Rents - Abandoned or Distressed Property

This bill provides that when the Mayor and City Council of Baltimore City condemns abandoned or distressed property that is subject to a redeemable ground rent the City may, after giving the landlord the required notice, apply to the State Department of Assessments and Taxation (SDAT) to redeem the ground rent.

The City must provide an affidavit that:

- the property is abandoned or distressed as defined under the local laws of Baltimore City;
- the property is being acquired by the City through condemnation;
- a thorough title search has been conducted;
- the landlord of the property cannot be located or identified and
- the existence of the ground rent is an impediment to the redevelopment of the site.

Although the City is required to provide payment of up to three years back rent to the SDAT as part of the filing process, the City is not required to post the actual amount of the redemption with the SDAT. However, the bill provides that a landlord of abandoned and distressed property condemned by the Mayor City Council of Baltimore, whose ground rent has been redeemed, may file a claim with the Baltimore City Director of Finance to collect the redemption amount by providing proof that the landlord received payment of back rent from the SDAT and by paying a \$20 fee.

Effective June 1, 2005.

E. Chapter 566 (HB 657) - Repeals and reenacts, with amendments, Section 8-203(d) of the Real Property Article.

Real Property – Residential Leases – Security Deposits – Interest Rates

This bill provides that a security deposit held pursuant to Section 8-203 may not be attached by creditors of the landlord or of the tenant.

F. Chapter 475 (SB 339) – Adds to Section 8–212.2 of the Real Property Article.

Landlord and Tenant – Termination of Lease – Limitation of Liability for Rent

This bill provides that, with certain exceptions, a tenant, who is no longer able to live at the leased premises to due to certain types of medical conditions, will only be held liable for payment of the two months' rent immediately following the date on which the tenant vacates the leased premises. To qualify for the limitation of liability, the tenant must, before vacating the premises, provide to the landlord a written certification from a licensed physician in a prescribed form with respect to the tenant or authorized occupant

under the lease, certifying that such patient is no longer able to live at the leased premises because of a medical condition that substantially restricts the physical mobility of the patient within, or from entering and exiting the leased premises, or which requires the patient to move to a home, facility or institution to obtain a higher level of care than can be provided at the leased premises. The certification must also provide that the expected duration of the patient's medical condition will continue beyond the termination date of the lease. The bill, however, does not apply to a tenant under residential lease that contains a liquidated damages clause or early termination clause that requires written notice to vacate of 1 month or less and imposes liability for rent less than, or equal to, two months rent after the date on which the tenant vacates the leased premises.

G. Chapter 23 (SB 480) – Repeals and reenacts, with amendments, Section 8A– 1001(f) of the Real Property Article.

Real Property – Mobile Home Park Owners – Interest on Security Deposits

This bill reduces from 4 percent to 3 percent, the interest rate payable on a security deposit paid by a mobile home park resident to a park owner.

H. Chapter 135 (SB 192) – Repeals and reenacts, with amendments, Section 10–702 of the Real Property Article.

Real Property – Residential Property Disclaimer and Disclosure Statements - Latent Defects

This bill defines “latent defects” to be material defects in real property or an improvement to real property that: (1) a purchaser would not reasonably be expected to ascertain or observe by a careful visual inspection of the real property and (2) would pose a direct threat to the health or safety of the purchaser or an occupant of the real property, including a tenant or invitee of the purchaser. The bill amends the contents of the residential property disclaimer statement to include a requirement for the vendor to disclose “any latent defects of which the vendor has actual knowledge” and for the statement to provide that, except for disclosed latent defects, the vendor makes no representations or warranties as to the condition of the real property or any improvements on the real property and that the “purchaser will be receiving the property ‘as is’, with all defects, including latent defects, that may exist, except as otherwise provided in the contract of sale of the real property.”

The bill also amends the contents of the disclosure form to “include a list of defects, including latent defects” of which the vendor has actual knowledge. The bill also provides that when the State Real Estate Commission revises the standard residential property condition disclosure and disclaimer statement form to reflect the provisions of this Act, the Commission shall include a definition or explanation of the term “latent defects.”

I. Chapter 55 (HB 522) – Repeals and reenacts, with amendments, Section 11B -113.4 of the Real Property Article.

Homeowners Associations – Annual Charges

Although Columbia, Maryland is not expressly referenced, this bill applies to a homeowners association development that contains at least 13,000 acres and has a population of at least 80,000. The bill provides that if the value of an improved property has been reduced by the State or County assessments office “after, or by reason of, a protest, appeal, credit, or other adjustment, the homeowners association shall reduce the annual charge on the property based on the reduced value.”

Effective June 1, 2005.

J. Chapter 529 (HB 282) – Renumbers Section 11B-114 to be Section 11B-115, and adds new Section 11B-114 to the Real Property Article

Real Property - Homeowners Associations – Electronic Payments

This bill provides that, in the event that a person elects to make a payment to a homeowners association by means of an “electronic payment” (by credit card or debit card) the homeowners association may charge a reasonable electronic payment fee. However, the electronic payment fee may not exceed the amount of any fee that may be charged to the homeowners association in connection with the use of the credit or debit card. A homeowners association electing to charge an electronic payment fee must specify on, or include notice with, each bill and other invoice for which electronic payment is authorized that an electronic payment fee will be charged.

K. Chapter 121 (SB 130) – Repeals and reenacts, with amendments, Section 12-111 of the Real Property Article.

Maryland Transit Administration-Eminent Domain-Environmental and Engineering Studies

This bill authorizes the Maryland Transit Administration and its agents, employees and consultants, to enter upon private property to conduct environmental and engineering studies to determine the suitability of the property for use by the Administration, under the same statutory conditions applicable to entries upon private property by the State Highway Administration.

L. Chapter 501 (SB 674) – Repeals and reenacts, with amendments, Section 14-120 of the Real Property Article.

Real Property – Abatement of Nuisances on Property Used for Controlled Dangerous Substance Offenses

This bill clarifies that the relief authorized under the controlled dangerous substance nuisance abatement law (Section 4-401 of the Courts Article) may be provided whether or not an adequate remedy exists at law. If, after hearing, the District Court determines that a nuisance exists, the Court may order any appropriate injunctive or other equitable relief. The bill also clarifies that an action to abate a nuisance may

be brought against the tenant, owner, or operator of the property where the nuisance is located. The bill also provides that the Court may order the owner or operator of the property to submit a “plan of correction” to ensure, “to the extent reasonably possible” that the property will not again be used for a nuisance. If a tenant fails to comply with an order, the Court may order restitution of possession of the property to the owner or operator. If an owner, including an owner-occupant, fails to comply with an order, after a hearing, the Court may, in addition to issuing a contempt order or an order for any other relief, order that the property be sold at the owner’s expense pursuant to the Maryland Rules on judicial sales. With respect to a nuisance in the owner-occupied unit of the property, the Court may also order that the owner-occupied unit be vacated within 72 hours and that the owner-occupied unit remain unoccupied for a period not to exceed one year, or until the property is sold in an arms-length transaction.

The bill also provides that, with some exceptions, when necessary to accomplish the purposes of the law, “a law-enforcement officer, an attorney in a municipal or county attorney’s office, or an attorney in an office of the state’s attorney, may disclose the contents of an executed search warrant and papers filed in connection with the search warrant,” to an attorney in a municipal or county attorney’s office, to officials within the community association, and to the owner, tenant, or operator of the property.

Effective June 1, 2005.

II. TAX-GENERAL ARTICLE

A. Chapter 444 (HB 147) – Repeals and reenacts, with amendments, Section 10-912(c) of the Tax-General Article.

Budget Reconciliation and Financing Act of 2005 (Maryland Withholding)

This bill, (the “Budget Bill”) changes the amount of income tax to be withheld at settlement from the sale of real estate by a nonresident individual. Presently, withholding in the amount of 4.75 percent of the total payment is required. This bill changes the rate of withholding from 4.75 percent of the total payment, to “the sum of the rate of the tax imposed under Section 10-106.1 of this Title and the top marginal State income tax rate for individuals under Section 10-105(a) of this Title, applied to” the total payment. The rate of the tax imposed under Section 10-106.1(b) is “equal to the lowest county income tax rate set by any Maryland county.” Presently, Worcester County’s “piggyback” tax rate is the lowest at 1.25%. (Local income tax rate changes are established on or before the July 1 preceding the calendar year -January 1- in which they go into effect.) The “top marginal State income tax rate for individuals under Section 10-105(a)” is presently 4.75%. The effect of this calculation will increase withholding from 4.75% to 6% of the total payment as to nonresident individuals. (The rate of withholding for nonresident entities, 7%, was not changed).

Effective July 1, 2005.

III. TAX-PROPERTY ARTICLE

A. Chapter 605 (HB 1472) – Repeals and reenacts, with amendments, Section 12-108(c) of the Tax-Property Article.

Recordation Tax and State Transfer Tax – Exemption for Transfer to Brother or Sister

This bill provides an exemption from State recordation and transfer tax on a transfer to a brother, sister, stepbrother, or stepsister, as to the principal amount of debt assumed by such transferee.

Effective July 1, 2005.

B. Chapter 559 (HB 562) – Repeals and reenacts, with amendments Section 7-208(f) of the Tax-Property Article

Disabled Veterans and Surviving Spouses - Qualification Date for Property Tax Exemption.

This bill provides that, for the purposes of the property tax exemption available with respect to a dwelling acquired by a disabled veteran, or by a qualifying surviving spouse of an individual who died in line of duty, or a qualifying spouse of a disabled veteran, the exemption applies and the property tax is abated from the date of settlement for the purchase of the property, provided the transferee applies for the exemption within 30 days after the settlement.

Effective June 1, 2005.

C. Chapter 536/616 (HB 343/SB 199) – Adds Section 7-306, 9-109, and 9-109.1 to the Tax-Property Article

Property Tax Credit for Repaired or Reconstructed Dwelling.

This bill provides that the owner of a dwelling that was damaged or destroyed due to a natural disaster and subsequently repaired or reconstructed, may be eligible for local property tax credits if the dwelling is revalued following the repair or reconstruction and as a result, the re-assessment of the dwelling exceeds the prior assessment. An owner who is eligible for the local property tax credit is also exempt from State property taxation to the same extent as the local credit.

Effective June 1, 2005 and applicable to all taxable years beginning after June 30, 2005.

D. Chapter 588 (HB 1015) – Repeals and reenacts, with amendments Section 9-104(a)(13) and 9-215 of the Tax-Property Article.

Property Tax – Homeowners’ Property Tax Credit - Computation and Local Supplement.

This bill alters the definition of “total real property tax” as to property benefited by the homeowner’s property tax credit, by reducing the assessed value of the dwelling by the amount of any assessment on which a homeowners property tax credit is granted. The bill also provides for additional eligibility criteria for homeowners that may be adopted for the local supplement to the homeowner’s property tax credit by, the Mayor and City Council of Baltimore and/or the counties namely:

- Age of the owners;
- Number of years of residence in the dwelling;
- Increases in assessments of more than a certain percentage over a certain period of time;
- Any additional criteria that the Mayor and City Council of Baltimore or the governing body of a county determines to be necessary or appropriate.

Effective June 1, 2005 and applicable to all taxable years beginning after June 30, 2005.

E. Chapter 555 (HB 481) – Repeals and reenacts, with amendments Section 9-105(d) of the Tax - Property Article

Property Tax- Homestead Tax Credit – Eligibility

This bill provides that, for purposes of application of the homestead property tax credit, where the property was transferred for consideration to a buyer on or after January 1 but before the beginning of the next taxable year (July 1), but was not transferred on the assessment rolls prior to the beginning of the next taxable year, a homeowner may still receive the benefit of the homestead tax credit for the taxable year following the “date of transfer” provided that the deed is recorded on or after July 1 of the next taxable year and the applicant submits with the application, a copy of the executed deed evidencing the date of transfer. The “date of transfer” for this purpose is defined as the effective date of the deed per Section 3-201 of Real Property Article.

Effective July 1, 2005.

F. Chapter 383 (HB 569) – Repeals and reenacts, with amendments, section 14-813(e) (2) of the Tax-Property Article.

Cecil County - Tax Sales – Auctioneer’s Fee

This bill authorizes an auctioneer’s fee in the amount of \$7.50 for each property sold at the Cecil County tax sale.

This bill is an emergency measure and shall take effect from the date it is enacted.

G. Chapter 258 (HB 1100) – Repeals and reenacts, with amendments, section 14-813(e) of the Tax-Property Article.

Somerset County - Tax Sales – Auctioneers – Fees.

This bill authorizes an auctioneer’s fee the amount of \$8.00 for each property sold, or \$300, to be allocated pro rata among each property sold, at the Somerset County tax sale.

This bill is an emergency measure and shall take effect from the date it is enacted.

H. Chapter 380 (HB 484) - Repeals and reenacts, with amendments, section 14-813(e) (2) of the Tax-Property Article.

This bill authorizes and auctioneer’s fee in the amount of \$10 for each property sold at the Talbot County tax sale.

This bill is an emergency measure and shall take effect from the date it is enacted.

IV. COMMERCIAL LAW ARTICLE

A. Chapter 521 (HB 56) – Repeals and reenacts, with amendments Section 13–301(14) and adds Section 14–3301 through 14–3303, inclusive, of the Commercial Law Article, to be under the new subtitle “Subtitle 33. The Social Security Number Privacy Act”.

Consumer Protection – Privacy of Social Security Numbers

This bill provides that, except as otherwise provided, a person may not:

- Publicly post or display in individual’s Social Security number;
- Initiate the transmission of, or require an individual to transmit, the individual’s Social Security number over the Internet, unless the connection is secure or the individual’s Social Security number is encrypted;
- Require an individual to use the individual’s Social Security number to access an Internet web site unless a password or other authentication device is available;
- Unless required by state or federal law, print an individual’s Social Security number on any material that is mailed to the individual, include the number in any material that is electronically transmitted to the individual unless the connection is secure or the number is encrypted, or include an individual’s Social Security number in any material that is transmitted by facsimile to the individual.

The bill also provides that the prohibitions against posting or displaying the individual’s Social Security number do not apply to:

- Release or use of the number as required by state or federal law
- Inclusion of the number in an application, form or document sent by mail, electronically transmitted or transmitted by facsimile, as part of an application or enrollment process, to establish, amend or terminate an account, contract, or policy, or to confirm the accuracy of the individual's Social Security number;
- The use of an individual's Social Security number for internal verification or administrative purposes or use via an interactive computer service provider's transmission or routing or temporary storage or caching of the number.

The bill also provides certain grace period provisions allowing a person that had used an individual's Social Security number before January 1, 2006 in a manner otherwise prohibited under the Act, to continue to use the number in that manner if the use is continuous and provided that, beginning on January 1, 2006, the person provides the individual with an annual disclosure form, informing the individual of their right to request, in writing, that the party stop using the number in such manner.

Effective January 1, 2006, with the grace period provisions remaining in effect for a period of three years and abrogated at the end of December 31, 2008.

B. Chapter 34 (HB 190) – Repeals and reenacts, with amendments, Section 17-308.2 of the Commercial Law Article.

Commercial Law- Abandoned Property – Notice to Apparent Owner

This bill provides that, with respect to the notice required to be sent to apparent owners of abandoned property by the holder of abandoned property, the holder is no longer required to send the notice to such apparent owners if the property is valued at less than \$100.00. (However, the holder is still required to report and forward such abandoned property to the State Comptroller.)

Effective July 1, 2005.

V. COURTS AND JUDICIAL PROCEEDINGS ARTICLE

A. Chapter 102 (SB 14) – Repeals and reenacts, with amendments, section 5-112 of the Courts and Judicial Proceedings Article.

Civil Actions - Limitation of Actions - Land Surveyors.

This bill reduces the time during which a person may file suit against a surveyor due to an error in a land survey, from 20 years to 15 years after the survey, (or within three years after the discovery of the error, whichever occurs first).

B. Chapter 309 (SB 430) – Repeals and reenacts, with amendments, Section 5-406(a) of the Courts and Judicial Proceedings Article.

Community Associations - Civil Liability

This bill alters the definition of “community association” with respect to a community association’s limitation of civil liability in the event of a suit brought against an agent, or against the organization, by virtue of the agent’s act or omission in providing services or performing duties on behalf of the organization. The amendment provides that, in lieu of the community association being composed of at least 25 percent of the adult residents of a local community, an organization will qualify if it is composed of at least 100 adult residents, but less than 25 percent of the adult residents of a local community that consists of at least 40 households and is defined by specific geographic boundaries in the bylaws or charter of the organization, and provided the community association was organized on or before January 1, 2000, has been in continuous operation since that date, and otherwise meets the statutory definition. The bill is intended to be construed prospectively, only.

C. Chapter 225 (HB 640) – Repeals and reacts, with amendments, Section 13 – 607 of the Courts and Judicial Proceedings Article.

Circuit Court Real Property Records Improvement Fund – Duration

This bill extends the termination date for the Land Record Improvement Fund law from June 30, 2006 to June 30, 2009.

VI. CORPORATIONS AND ASSOCIATIONS ARTICLE

A. Chapter 32 (HB 159) - Repeals and reenacts, with amendments, Section 1–202, 1–203, 1–205, 4A–207, 4A–1003, 9A-1002, 9A-1102, 10–206, and 10–903 of the Corporations and Associations Article.

Business Entities - Recordation of Documents.

This bill provides that, upon receipt of certain entity filings made at the State Department of Assessments and Taxation (SDAT) the person filing will have the option of paying a \$5.00 non-refundable processing fee for return of an original document or to decline the return of the original document. In any case, upon recording the document, the SDAT is required to send an acknowledgment to the entity, “stating that date and time the document was accepted for record.”

Effective July 1, 2005.

B. Chapter 586 (HB 958) – Repeals Section 8-401 and repeals and reenacts, with amendments, Section 1-207(d), 2-418(d) and (e), 2-605 (a), 3-101, 8-102, 8-207, 8-501(f), and 8-601.1, and adds Section 1-207.1 of the Corporations and Associations Article.

Corporations and Real Estate Investment Trusts – Miscellaneous Provisions

This bill provides that a corporation may file a “certificate of notice” with the State Department of Assessments and Taxation. A certificate of notice may describe certain actions of the corporation, its board of directors, or its stockholders. However a certificate of notice may not amend, supplement or correct the corporate charter or affect any rights or liabilities of stockholders.

The bill also expands the right of a director to be indemnified against reasonable expenses regarding the successful defense of any claim, issue or matter in a proceeding.

The bill also repeals the limit on the number of persons to whom a corporation or REIT may issue its shares of stock or beneficial interest without consideration, for purposes of qualifying as a REIT under IRS regulations.

Effective June 1, 2005.

VII. ESTATES AND TRUSTS ARTICLE

A. Chapter 106 (SB 45) – Repeals and reenacts, with amendments, Section 5-104 and 5-106 of the Estates and Trusts Article.

Estates - Personal Representatives - Nomination by Power Conferred in Will

This bill adds “the personal representatives nominated in accordance with a power conferred in a will admitted to probate” as second in the order of priority of those persons eligible to be appointed as a personal representative of the decedent’s estate.

B. Chapter 455 (SB 3) – Repeals and reenacts, with amendments, Section 13-301(n), (o), and (p) and 13-314 of the Estates and Trusts Article.

Maryland Uniform Transfers to Minors Act – Qualified Minor’s Trust

This bill provides that a custodian under the Uniform Transfers to Minors Act may transfer all or part of the custodial property to a qualified minor’s trust without a court order, provided that custodial property created under a testamentary instrument may not be transferred unless the transfer is expressly authorized by the instrument and that, for an inter vivos transfer to be valid, the instrument creating the custodial property shall contain in conspicuous type, a statement that the transferor of the property elects to grant the custodian the authority to transfer all or part of the custodial property to a qualified minor’s trust

without a court order. The bill also provides that a transfer of custodial property to a qualified minor's trust terminates the custodianship of that property to the extent of the transfer. The bill "shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any custodial property created before the effective date of this Act."

VIII. FAMILY LAW ARTICLE

A. Chapter 465 (SB 176) – Repeals and reenacts, with amendments, Section 5-308 of the Family Law Article.

Adoption - Written Instruments - Meaning of "Child"

This bill provides that in any instrument, (which includes a deed, grant or will) executed before June 1, 1947, unless the instrument clearly indicates otherwise, the definition of the "child," "descendant," "heir," "issue," or any equivalent term, includes an adopted individual, if the interlocutory or final decree of adoption was entered on or after January 1, 1945. (The previous date for entry of the decree of adoption prior to this bill had been June 1, 1947.) The bill is to be "construed to apply only prospectively" and not apply to property that, before the effective date, was "vested in possession by an instrument, in a class of children, descendants, heirs, issue, or any equivalent class of which, after the application this Act, the adopted individual is a member."

Effective June 1, 2005.

IX. BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE

A. Chapter 377 (HB 464) – Repeals and reenact, with amendments, Section 17-512 and 17-604(b) of the Business Occupations and Professions Article.

Real Estate Brokers – Limited Liability Companies – Payment of Commission

This bill provides that, with the consent of a licensed real estate broker, one or more licensed real estate salespersons and licensed associate real estate brokers who are affiliated with the licensed real estate broker may organize and wholly-own a professional service corporation or form a limited liability company. The bill also provides that the licensed real estate salesperson or licensed associate real estate broker, who is also a shareholder of the professional service corporation or member of the limited liability company, may direct that any commission due be paid to the corporation or limited liability company.

X. BUSINESS REGULATION

A. Chapter 399 (HB 865) – Adds Section 2-106.3 and 2-106.4 to the Business Regulation Article; repeals and reenacts, with amendments, various subsections of Section 17 of the Business Occupations and Professions Article.

State Real Estate Commission-Special Fund-Fees

This bill establishes the “State Real Estate Commission Fund” as a special, nonlapsing fund in the Department of Labor, Licensing and Regulation. The fund will consist of fees collected by the State Real Estate Commission and “shall be used to cover the actual documented direct and indirect costs of fulfilling the statutory and regulatory duties of the Commission.”

Effective July 1, 2006.

B. Chapter 612 (HB 1576) – Repeals and reenacts, with amendments, Section 4.5 – 308(a)(8) and (10) of the Business Regulation Article.

Homebuilder Registration – Denial, Suspension, and Revocation – Grounds.

This bill provides that the Home Builder Registration Unit of the Consumer Protection Division of the Attorney General’s Office may deny registration to a homebuilder applicant, reprimanded a registrant, suspend or revoke a registration, or impose a civil penalty on a registrant, if the Unit determines that the applicant or registrant has violated a local building, development, or zoning permit law or regulation or a state or federal law or regulation, including an environmental protection law or regulation.

Effective July 1, 2005.

XI. FINANCIAL INSTITUTIONS ARTICLE

A. Chapter 132 (SB 159) – Repeals Section 11–501(c) and 11–522 and repeals and reenacts, with amendments, Section 501(k), 11–504, 11–509, 11–513, and 12–902, and renumbers other Sections of the Financial Institutions Article.

Commissioner of Financial Regulation – Mortgage Lenders – Licensing of Federally Approved Seller-Servicers.

This bill repeals an exemption from licensure for mortgage lenders that are federally approved seller-servicers. Repeal of the exemption will provide greater oversight authority to the Commissioner of Financial Regulation. The bill also provides that, in absence of an order by the Commissioner to the contrary, a federally approved seller-servicer that is exempt from having a mortgage lender license immediately prior to the effective date of the bill, may continue to service mortgage loans without being

licensed, until the Commissioner approves or disapproves the seller-servicer's application for a license, if applied for no later than 30 days after the effective date of the bill.

B. Chapter 590 (HB 1040) – Adds Section 11–517(a) and 11–601 through 11–618, inclusive, to be under the new subtitle “Subtitle 6. Mortgage Originators.”

Financial Institutions – Consumer Credit – Mortgage Originators.

This bill requires that an individual obtain a license from the Commissioner before acting as a mortgage originator. A mortgage originator is defined as an employee of a mortgage lender who:

- Is a mortgage broker who has, or will have, a net branch office at, or out of which, the employee will work;
- Directly contacts prospective borrowers for the purpose of negotiating with or advising them about mortgage loan terms and availability;
- Receives compensation from the mortgage lender based on a certain percentage basis and
- Is authorized to accept a loan application on behalf of the mortgage lender.

The bill establishes certain experience, education, character and fitness qualifications for issuance of a license, relevant fees and grounds for approving or denying a license and a hearing mechanism. A Mortgage Lender-Originator Fund is established by the bill, which will be funded by the fees and other revenues generated by the application and renewal processes, investments, and any other fee, examination assessment, or revenue received by the Commissioner. The purpose of the fund is to pay the costs and expenses incurred by the Commissioner related to the regulation of mortgage lending and mortgage origination. Any person aggrieved by the conduct of a licensee may file the written complaint with the Commissioner. The Commissioner may issue a written order to licensee to stop doing business. Subject to hearing provisions, the Commissioner may suspend or revoke the license of any licensee found in violation of any provision of the subtitle or in violation certain other laws. A person who willfully violates the provisions of the subtitle is guilty of a felony and on conviction is subject to a fine not exceeding \$25,000 or imprisonment not exceeding five years or both.

XII. NATURAL RESOURCES ARTICLE

A. Chapter 473 (SB 306) – Repeals and reenacts, with amendments, Section 5-903(a) of the Natural Resources Article; repeals and reenacts, with amendments, Section 13-209(f)(1) and adds Section 13-209(g) to the Tax-Property Article; repeals and reenacts, with amendments, various Sections of the State Finance and Procurement Article.

Land Preservation and State Asset Protection Act

This bill provides for new requirements with respect to the disposition of State-owned outdoor recreation, open space, conservation, preservation, park, or forest lands. The bill requires that a unit of State

government seeking to declare property as excess provide to the Maryland Department of Planning the information that the unit considered in making the determination, such as the history of the acquisition of the property, the rationale for the acquisition at the time, any environmental, ecological, cultural or historical attributes of the property and its relationship to surrounding and nearby properties. Upon receiving notice of the excess property, the Maryland Department of Planning must notify certain committees of the General Assembly and those General Assembly members who represent the Legislative District in which the property is located, as well as adjacent land owners. Local public hearings are required for excess property having an estimated value of over \$100,000, with public comment to be accepted and considered for properties below that value. The Maryland Department of Planning must also determine whether any proposed disposition would conform to local land use requirements.

Effective July 1, 2005.

XIII. ENVIRONMENT ARTICLE

A. Chapter 229 (HB 679) – Adds Section 1-801 through 1-815, inclusive, to be under the new subtitle “Subtitle 8. Maryland Uniform Environmental Covenants Act” of the Environment Article.

Maryland Uniform Environmental Covenants Act.

This bill establishes the requirements to govern the creation, applicability, maintenance and enforcement of environmental covenants and the rights and duties arising from environmental covenants. The term “environmental covenant” is defined as “a servitude arising under an environmental response project that imposes activity and use limitations.” An “environmental response project” is defined as “a plan or work performed for environmental remediation of real property that is conducted: (1) under a federal or state program governing environmental remediation of real property, including Title 7, Subtitle 5 of this Article; or (2) incident to closure of a solid or hazardous waste management unit, if the closure is conducted with approval of an agency.” The bill also provides that an environmental covenant “may not be extinguished, limited or impaired through issuance of a tax deed, foreclosure of a tax lien, or application of the doctrine of adverse possession, prescription, abandonment, waiver, lack of enforcement, or acquiescence, or a similar doctrine.” The bill requires that the Department of the Environment establish and maintain a registry for environmental covenants and any amendment or termination of such covenants. The bill also provides that, following a filing in the registry, a notice of the covenant, amendment or termination may be recorded in the land records in lieu of recording the entire covenant.

B. Chapter 539 (HB 374) – Adds Section 4-411.2 to the Environment Article.

Oil Discharge-Groundwater Contamination-Notification.

This bill provides that, within 14 days of the finding, the Maryland Department of the Environment must notify the appropriate local health department of a finding that a groundwater monitoring well sample yielded indicia of certain specified oil contaminants, such as methyl-tertiary butyl ether (MTBE). The local

health department is required to notify “each owner of property within one-half mile of the site from which the sample was taken.” The notification must be mailed within 14 days of the receipt of a notice from the Department of the Environment by a certified mail and must provide the property owner with information regarding the amount of contamination at the site.

C. Chapter 278 (HB 251) – Repeals and reenacts, with amendments, Section 6-801(g), 6-804, 6-817, 6-819 (c), 6-828, 6-830, 6-846, and 6-850 of the Environment Article.

Waste Management Administration-Lead Poisoning Prevention.

This bill revises certain provisions of the lead poisoning prevention law in order to meet requirements for eligibility for future federal lead poisoning prevention funding or lead hazard reduction funding. The bill reduces, as for tests made on February 24, 2006 and thereafter, from 20 ug/dl to 15 ug/dl the “elevated blood lead level” (EBL) that triggers the requirement to take risk reduction measures and/or satisfy the risk reduction standard and maintain liability protection under the law. The bill also expands the physical areas subject to risk reduction to include structures such as play equipment, benches and laundry line poles that are part of, and within the control of, the affected property/controlled by the owner of the property. The bill also requires that the inspection report submitted to the Department of the Environment for program qualification indicate that either all interior and exterior surfaces of the affected property are lead-free, or that all interior surfaces of the affected property are lead-free and all exterior painted surfaces of the affected property that were chipping, peeling or flaking have been restored with non lead-based paint.

XIV. AGRICULTURE ARTICLE

A. Chapter 356 (HB 79) – Repeals and reenacts, with amendments, Section 2-511 of the Agriculture Article

Maryland Agricultural Land Preservation Foundation – Arbitration of Easement Values

This bill provides that, if the landowner and Foundation cannot agree on the value of the easement as determined by the State, either has until no later than September 30 of the year following the determination of the value to request that the matter be referred to the Property Tax Assessment Appeal Board for arbitration.

B. Chapter 355 (HB 78) – Adds Section 2-513.1 to the Agriculture Article.

Maryland Agricultural Land Preservation Foundation – Local Land Use

This bill clarifies that a county may deny an application for subdivision, a building permit, a non-agricultural conditional use or special exception, or any other non-agricultural use or activity, on property

subject to a district agreement or subject to an agricultural easement, if the Foundation has not authorized approval of the application.

C. Chapter 155 (SB 502) – Adds Section 2-517 to the Agriculture Article.

Agriculture – Critical Farms Program

This bill requires the Maryland Agricultural Land Preservation Foundation and the Department of Planning to establish a “Critical Farms Program” to provide interim or emergency financing for the acquisition of agricultural preservation easements on critical farms that would otherwise be sold for non-agricultural uses. The bill also provides that the Foundation and the Department shall develop criteria for counties to consider when determining whether a property qualifies for the Program. The bill also requires the Foundation and Department to conduct a thorough study of the options available for funding the Critical Farms Program, on or before January 1, 2006.

The Sections of the bill requiring establishment of the Critical Farms Program are effective October 1, 2006. All other Sections are effective July 1, 2005.

D. Chapter 351 (HB 74) – Repeals and reenacts, with amendments, Section 2-514 of the Agriculture Article.

Maryland Agricultural Land Preservation Easement Termination-County Notification

This bill alters the time period within which a county is required to notify the Foundation of its decision on whether to approve an easement termination request from 30 days to 90 days after the conclusion of the required public hearing.

XV. INSURANCE ARTICLE

A. Chapter 541 (HB 390) – Repeals and reenacts, with amendments Section 3 – 306 of the Insurance Article.

Insurance – Surplus Lines Insurance - Authorized Procurement

This bill provides that surplus lines insurance may be obtained to replace coverage for condominium associations in certain circumstances.

XVI. ARTICLE 83A – DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

83A A. **Chapter 582 (HB 881)** – Repeals and reenacts, with amendments, Section 5-205 of Article

Maryland Economic Development Corporation - Condemnation of Property

This bill provides that MEDCO’s condemnation powers may not exceed the condemnation powers of the county or municipal corporation in which the property to be taken is located.

XVII. FORMER ARTICLE 83B – DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (NOW THE “HOUSING AND COMMUNITY DEVELOPMENT ARTICLE” PER CHAPTER 26 HB 11)

A. **Chapter 551 (HB 449)** – Adds Section 4-215, repeals and reenacts, with amendments, section 4-217 of the Housing and Community Development Article

Housing - Community Development Administration - Financial Assistance Programs for Purchasing a Home Near Work

This bill requires the Community Development Administration in the Department of Housing and Community Development to administer a homebuyer assistance program to help homebuyers obtain low-interest mortgages, with down payment and closing costs assistance options, for the purchase of homes near the homebuyer’s place of employment, (the “Live Near Your Work” program).

XVIII. PUBLIC LOCAL LAWS

A. **Chapter 510 (SB 765)** – Repeals and reenacts, with amendments, the Charter of Baltimore City, Article II – General Powers, Section (62A(b)).

Baltimore City - General Powers - Special Tax Districts.

This bill provides that a special taxing district created by the Mayor and City Council of Baltimore may utilize tax and bond revenues to improve “buildings that are abandoned property or distressed property,” and “buildings that provide units of affordable housing.”

B. **Chapter 598 (HB 1272)** – Repeals and reenacts, with amendments Section 2-701 of the Public Local Laws of Washington County; Article 22 of the Public Local Laws of Maryland.

Washington County Growth Management Act of 2005.

This bill provides that, the County Commissioners of Washington County may collect a building excise tax on building construction prior to the date an initial building permit is issued for the building construction and may impose different rates, or waive the building excise tax, for different nonresidential building types and uses. For nonresidential building types, the County Commissioners may impose a building excise tax not to exceed \$5.00 per square foot. For single-family residential units, the County Commissioners may impose a rate not to exceed \$13,000 per unit. For multifamily residential units, the County Commissioners may impose a rate not to exceed \$15,500 per unit. As to the development of a single subdivision having more than 25 residential units, where the school capacity and roads do not meet certain criteria, the County Commissioners may impose a building excise tax rates hereof up to twice the normal amount. The bill also requires that the County Commissioners grant a credit against the building excise tax for units developed as “workforce housing.”

Effective July 1, 2005.

C. Chapter 594 (HB 1129) – Adds Section 10-192.11 to the Public Local Laws of Prince Georges County; Article 17 - Public Local Laws of Maryland.

Prince George’s County – Public Safety Surcharge – PG 307-05

This bill provides that the County Council for Prince Georges County may, by ordinance, impose a public safety surcharge on new residential construction for which a preliminary plan has been approved on or after July 1, 2005. Except as provided, the public safety surcharge imposed on a single-family detached dwelling, town house, or other building containing more than a single dwelling unit, shall be \$6,000. the public safety surcharge does not apply to a single-family detached dwelling that is to be built or subcontracted by an individual owner in the minor subdivision and that is intended to be used as the other’s personal residence. The public safety surcharge must be paid by the seller at the time the building permit is issued. The surcharge may not be construed to be a settlement cost.

Effective July 1, 2005.

XIX. MISCELLANEOUS

A. Chapter 502 (SB 679) – Repeals and reenacts, with amendments, the Charter of Baltimore City, Article II - General Powers Section (19).

Baltimore City - Tax Sales for Nonpayment of Environmental Citations – Prohibition

This bill provides that real property may not be offered for sale in a Baltimore City tax sale, solely for nonpayment of environmental citations issued under Article 1, Subtitle 40 of the Baltimore City Code.

B. Chapter 469 (SB 229) – Session Laws

Task Force On Common Ownership Communities

This bill creates a Task Force on common ownership communities, which are defined as a condominium, a cooperative housing corporation and a homeowners association. The Task Force shall study the education and training needs of common ownership community boards and prospective owners of homes and dwelling units in a common ownership community, alternative dispute resolution services, the desirability of adopting provisions of the Uniform Common Interest Ownership Act, issues facing aging common ownership communities, collection of assessments and re-sales of homes. The task force shall submit a final report to the Governor on or before December 31, 2006.

Effective June 1, 2005. Will be abrogated automatically at the end of December 31, 2006.

C. Chapter 331 (SB 735) – Session Law

Task Force to Study Visual Smoke and Evacuation Alarms for the Deaf and Hard of Hearing

This bill creates a Task Force to study visual smoke and evacuation alarms for the deaf and hard of hearing. The Task Force shall study and make recommendations regarding emergency evacuation plans, devices and equipment for those living in apartments or condominiums, the availability of emerging technology, the costs of installation of alarm systems in the common areas and individual units within apartment buildings and condominiums. The task force shall report its findings to the Governor on or before September 30, 2006.

Effective October 1, 2005. Will be abrogated automatically at the end of September 30, 2006.

D. Chapter 617 (SB 102) – Proposes an amendment to the Maryland Constitution-article XII - public works – Section 3.

Board of Public Works - Disposition of Park Lands - General Assembly Approval Required

This bill proposes an amendment to the Maryland Constitution to provide that the Board of Public Works may not approve the sale, transfer, exchange, grant or other permanent disposition of any State-owned outdoor recreation, open space, conservation, preservation, forest, or park land without express approval of the General Assembly or a committee that the General Assembly designates by statute, resolution, or rule.

Shall be submitted to voters at the November, 2006 general election.