

REVISOR'S NOTE: Subsection (a) is new language derived from Art. 21, §10-301(b). The present reference to the "Insurance Department" is omitted because it is obsolete in light of Ch. 402, Acts of 1970 which established the Insurance Division of the Department of Licensing and Regulation.

Subsections (b) and (c) presently appear as Art. 21, §10-301(b) and subsection (d) presently appears as Art. 21, §10-301(c).

It should be noted that the existing schedule in subsection (c) has an absurd effect. For instance, the penalty for a \$499,000 deposit is \$200,000, while the penalty for a \$500,001 deposit is \$500,000. This inequitable system might be replaced by penalties based on a percentage of the bond. The General Assembly may wish to consider enacting appropriate corrective legislation.

The only other changes are in style.

10-303. INSURANCE DIVISION TO ADOPT PROCEDURAL RULES AND REGULATIONS TO IMPLEMENT SUBTITLE.

THE INSURANCE DIVISION SHALL ADOPT REASONABLE RULES AND REGULATIONS FOR THE ADMINISTRATION OF THE SUBTITLE RELATING TO BONDS AND BOND PROCEEDS.

REVISOR'S NOTE: This section presently appears as Art. 21, §10-301(d) of the Code. The present reference to "Insurance Department" is omitted because it is obsolete in light of Ch. 402, Acts of 1970 which established the Insurance Division of the Department of Licensing and Regulation. The present phrase requiring that the rules and regulations "not be inconsistent with this subtitle" is proposed for deletion as unnecessary. The only other changes are in style.

10-304. SALES EXEMPT FROM SUBTITLE.

THE PROVISIONS OF THIS SUBTITLE DO NOT APPLY TO:

(1) A SALE BY A VENDOR OR BUILDER WHO, FROM THE TIME OF THE CONTRACT OF SALE UNTIL COMPLETION AND GRANT OF THE RESIDENTIAL UNIT, HAS OUTSTANDING FEWER THAN TEN CONTRACTS OF SALE OF SINGLE FAMILY RESIDENTIAL UNITS TO BE CONSTRUCTED, FOR WHICH HE HAS ACCEPTED OR CONTRACTUALLY IS ENTITLED TO RECEIVE SUMS OF MONEY IN THE