

contract of sale of the real property; requiring a residential property disclosure form to include a list of all defects, including latent defects, or information of which the vendor has actual knowledge in relation to certain items; defining a certain term; and generally relating to residential property disclaimer and disclosure statements.

BY repealing and reenacting, with amendments,

Article – Real Property

Section 10-702

Annotated Code of Maryland

(2003 Replacement Volume and 2004 Supplement)

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

Article – Real Property

10-702.

(a) IN THIS SECTION, “LATENT DEFECTS” MEANS MATERIAL DEFECTS IN REAL PROPERTY OR AN IMPROVEMENT TO REAL PROPERTY ~~OF WHICH THE VENDOR HAS ACTUAL KNOWLEDGE 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:

(I) THE PURCHASER; OR

(II) AN OCCUPANT OF THE REAL PROPERTY, INCLUDING A TENANT OR INVITEE OF THE PURCHASER

(B) (1) This section applies only to single family residential real property improved by four or fewer single family units.

(2) 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;