

**CHAPTER 135**

**(Senate Bill 192)**

AN ACT concerning

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

FOR the purpose of requiring that a residential property disclaimer statement ~~to state that a vendor represents and warrants that~~ disclose any latent defect defects of which the vendor has no actual knowledge of latent defects in the real property or improvements on the real property except as disclosed on the residential property disclaimer statement and state that, except for latent defects that are disclosed, the vendor makes no representations or warranties and that a purchaser will receive the real 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; 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; *requiring the State Real Estate Commission to include certain information in a certain form;* 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.