

CITY OF BALTIMORE

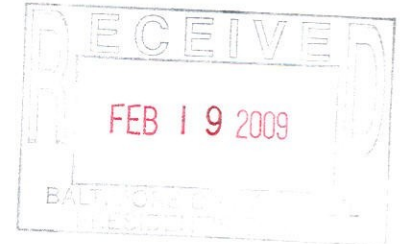
SHEILA DIXON, Mayor



DEPARTMENT OF LAW

GEORGE A. NILSON, City Solicitor
101 City Hall
Baltimore, Maryland 21202

February 18, 2009



The Honorable President and Members
of the Baltimore City Council
Attn: Karen Randle, Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 08-0042 {Residential Property – Required Disclosures
on Sale or Lease}

Dear Madame President and City Council Members:

The Law Department has reviewed City Council Bill 08-0042 for form and legal sufficiency. The bill would amend the Real Estate Practices Subtitle of Consumer Protections Article of the City Code.

Existing language provides that no person may advertise the sale or lease of any property that is restricted by the Zoning Code to one family without clearly including in the advertisement a statement to that effect. This bill would amend that language so that it applies to any property that is restricted by the Zoning Code, Building Codes, any Renewal Plan, or any law, regulation, or covenant. The maximum penalty for violating this provision is increased from \$50 to \$500.

The bill also would require any seller of any residential property to disclose in writing to the prospective buyer the following:

(1) Zoning

- a. district, subdistrict, scope and tenor of latest use permit; and
- b. whether the property lies in an overlay district or planned unit development, and all use, size, rehabilitation, maintenance, and other restrictions, controls, regulations, and standards

(2) Renewal Area

- a. Whether the property lies in a renewal area; and
- b. All use, size, rehabilitation, maintenance, and other restricts, controls, regulations, and standards; and
- c. Whether the property is designated by the renewal plan for possible acquisition.

F/A

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- (3) Historic, architectural preservation
 - a. Whether the property is on a historical or architectural landmark list or special list; and
 - b. Whether the property lies within a historical or architectural district; and
 - c. All use, size, rehabilitation, maintenance, and other restrictions, controls, regulations, and standards

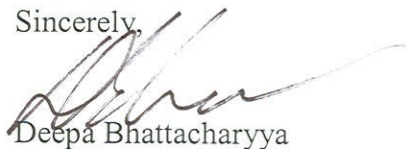
- (4) Covenants
 - a. Whether the property is subject to any recorded covenants; and
 - b. All use, size, rehabilitation, maintenance, and other restrictions, controls, regulations, and standards.

Penalties for failing to disclose any of the above information include a fine of up to \$1,000, imprisonment for up to 30 days, or both.

The requirements of this bill would be quite burdensome for sellers and their agents. There will likely be a flood of calls to City agencies to obtain the required information. The covenant restrictions are quite burdensome to research, and legal interpretation may be required in order to make these disclosures. The Law Department recommends that, at least with respect to the covenant provisions, the requirements should be "to the best of the seller's knowledge."

Despite potential compliance obstacles for sellers and bureaucratic problems for City agencies, the Law Department approves the bill for form and legal sufficiency.

Sincerely,



Deepa Bhattacharyya
Assistant Solicitor

cc: The Honorable James Kraft
George Nilson, City Solicitor
Angela C. Gibson, Mayor's Legislative Liaison
Elena DiPietro, Chief Solicitor
Ashlea Brown, Assistant Solicitor
Hilary Ruley, Assistant Solicitor

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Amendment No. 1

On page 5, in line 10, after “seller” insert “, TO THE BEST OF HIS OR HER KNOWLEDGE,”.