

**ANTHONY G. BROWN**  
*Attorney General*

**CANDACE MCLAREN LANHAM**  
*Chief of Staff*

**CAROLYN QUATTROCKI**  
*Deputy Attorney General*



**WILLIAM D. GRUHN**  
*Chief*  
Consumer Protection Division

Writer's Fax No.

**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

Writer's Direct Dial No.  
410-576-6986  
kwilponewelborn@oag.state.md.us

March 28, 2023

To: The Honorable Kumar P. Barve  
Chair, Environment and Transportation Committee

From: Kira Wilpone-Welborn, Assistant Attorney General  
Consumer Protection Division

Re: Senate Bill 579 – Residential Property - Service Agreements - Prohibitions (SUPPORT WITH AMENDMENT)

---

The Consumer Protection Division of the Office of the Attorney General (the "Division") supports with amendment Senate Bill 579 sponsored by Senator Antonio Hayes. Senate Bill 579 limits certain "service agreements" entered into by a homeowner for maintenance or for the purchase or sale of real property to a one-year term and prohibits the "service agreements" from running with the land and binding successors in interest and from being recorded as a lien, or other encumbrance, to the real property. Senate Bill 579 also provides that a service agreement made in violation of the limits and prohibitions outlined in the article is an enumerated violation of the Consumer Protection Act. Limiting the duration of "service agreements" and prohibiting the "service agreements" from encumbering title and binding successors in interest are common-sense restrictions that protect homeowners from potential unfair, abusive, and deceptive trade practices.

Although Senate Bill 579 proposes appropriate restrictions to service agreements, the Division is concerned that the definition of "residential property" used in the bill is unduly restrictive. Senate Bill 579 defines a residential property as "real property improved by four or fewer single-family dwelling units that are designed principally and are intended for human habitation." *See* pg. 5, lines 10-12. As drafted, the Division is concerned that homes in condominium buildings and townhome communities with more than four units may be inadvertently excluded from the important protections Senate Bill 579 seeks to provide. As such, the Division recommends that Senate Bill 579's definition of residential property be expanded to ensure that all residential property is covered by the one-year limitation for exclusive listing agreements.

The Division requests that the Environment and Transportation Committee give Senate

Bill 579 a favorable report with amendment.

Cc: Members, Environment and Transportation Committee