

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 850

(Delegates Bhandari and A. Johnson)

Economic Matters

Home Builders - Open House - Sales Representative Disclosure Requirements

This bill requires a home builder holding a property open to the public to display, in a conspicuous manner, a notice to prospective buyers that states: “The sales representative works for the home builder, which means that he or she may assist the buyer in purchasing the property, but his or her duty of loyalty is only to the home builder. As a buyer of a new home, you have the right to obtain your own independent representation to navigate the new home purchasing process.” The required disclosure must (1) use a clear, simple font; (2) have letters a minimum of one-half inch in height; and (3) be unobstructed from view.

Fiscal Summary

State Effect: The bill does not directly impact State finances or operations.

Local Effect: The bill does not directly impact local government finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law: “Home builder” means a person that undertakes to erect or otherwise construct a new home. A person may not act as a home builder in the State unless the person is registered as a home builder with the Home Builder Registration Unit in the Consumer Protection Division of the Office of the Attorney General. The Home Builder Registration Unit is required to register and issue registration numbers to an applicant who meets the requirements and pays a nonrefundable two-year registration fee of \$800.

Each registrant must display its home builder registration number conspicuously on all properties where the registrant is performing work that requires registration. If a registrant is building multiple homes in one project area or subdivision, the registrant may post its home builder registration number in one central conspicuous location within that area.

A home builder must provide each prospective home buyer with a disclosure that states: "The sales representative works for the home builder, which means that he or she may assist the buyer in purchasing the property, but his or her duty of loyalty is only to the home builder." This disclosure must be in at least 12-point bold type and included with (1) any written materials made available to consumers at the property and (2) the first agreement signed by the consumer.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Maryland Department of Labor; Department of Legislative Services

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me/mcr

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