Agenda Item 9
April 10, 2018
Public Hearing

MEMORANDUM

April 6, 2018

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: Bill 12-18, Real Property - New Home Sales Contracts – Solar Panel Systems

PURPOSE: Public Hearing

Bill 12-18, Real Property – New Home Sales Contracts – Solar Panel Systems, sponsored by Lead Sponsor Councilmember Elrich and Co-Sponsor Councilmember Hucker, was introduced on March 20, 2018. A Transportation, Infrastructure, Energy and Environment Committee worksession is tentatively scheduled for June 18.

Bill 12-18 would require the seller of a new single-family home to give the buyer an option to install a solar panel system. It would also require the seller to disclose the benefits of a solar panel system and an estimate of the cost to install the system.

The purpose of the Bill is to increase the use of renewable energy in the County. The Bill would encourage this by ensuring that the purchaser of a new single-family home is aware of the option of installing solar panels on the roof of the home and receives an estimate of the cost to install the panels. The buyer would have the option of either adding the installation of solar panels to the new home sale contract or declining to add the panels.

The Bill would define a single-family home as "a detached or attached residential building, including a single-family home, townhouse, or row house." The Bill would only apply to a newly constructed single-family home "that has not been previously sold and occupied." The law would be enforced by the Office of Consumer Protection.

This packet contains:	Circle #
Bill 12-18	1
Legislative Request Report	4

Bill No. 12-18
Concerning: Real Property – New Home Sales Contracts – Solar Panel Systems
Revised: March 16, 2018 Draft No. 2
Introduced: March 20, 2018
Expires: September 20, 2019
Enacted: [date]
Executive: [date signed]
Effective: [date takes effect]
Sunset Date: None
Ch. [#], Laws of Mont. Co. [year]

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Elrich
Co-Sponsor: Councilmember Hucker

AN ACT to:

(1) require the seller of a new single-family home to give the buyer an option to install a solar panel system;
(2) require the seller to disclose the benefits of a solar panel system and an estimate of the cost to install the system; and
(3) generally amend the law governing the sale of a new single-family home in the County.

By amending
Montgomery County Code
Chapter 40, Real Property
Section 40-15; and

By adding
Montgomery County Code
Chapter 40, Real Property
Section 40-15A

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets]	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets]]	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Section 40-15 is amended and Section 40-15A is added as follows:

40-15. Definitions; scope.

(a) In this article, the following words have the meaning indicated:

New home means any newly constructed dwelling unit. "New home" includes any single- family home, townhouse, row house, or condominium which has not been previously sold and occupied.

Buyer means the original buyer of a new home.

Buyer's agent means any person expressly designated by the buyer to serve as the buyer's representative at a pre-settlement inspection. "Buyer's agent" does not include an employee or agent of the seller.

Seller means any person or firm engaged in the business of selling new homes, or to whom a new home has been conveyed for resale in the course of business.

Single-family home means a detached or attached residential building, including a single-family home, townhouse, or row house.

Seller's agent [includes] means an employee of a seller or an independent, licensed real estate agent representing a seller.

Solar panel system means photovoltaic cells or a solar water heating system.

(b) This article applies to any contract for the sale of a new home [entered into on or after March 15, 1989. It applies to all new homes sold] in [Montgomery] the County, whether the new home is built before or after the date of the contract.

(c) The conveyance of a new home to an intermediate person to evade any liability or obligations to a buyer under this article or any other law does not remove the new home from the requirements of this article.

40-15A. Solar Energy Option—New Single-family Home.

(a) *Requirements.* Before signing a contract for the sale of a new single-family home, the seller must give the buyer:

(1) an estimate of the cost of a solar panel system;

(2) the estimated annual energy savings from a solar panel system;

(3) the number of years estimated to recoup the cost of the solar panel system from the estimated energy savings; and

(4) an option to add the installation of a solar panel system to the sales price of the new single-family home.

(b) *Forms.* The Director of Environmental Protection must prepare and publish on the County website:

(1) standard materials to explain the types of solar panel systems that would comply with this Section; and

(2) an optional form that may be executed by both the seller and the buyer to document:

(A) compliance with subsection (a); and

(B) the buyer's decision to purchase or not purchase a solar panel system.

Sec. 2. Transition.

The amendments in Section 1 must apply to any contract for the sale of a new single-family home executed after this Act becomes law.

Approved:

Hans Riemer, President, County Council Date

LEGISLATIVE REQUEST REPORT

Bill 12-18
Real Property - New Home Sales Contracts – Solar Panel Systems

DESCRIPTION: Bill 12-18 would require the seller of a new single-family home to give the buyer an option to install a solar panel system. It would also require the seller to disclose the benefits of a solar panel system and an estimate of the cost to install the system.

PROBLEM: Some new home buyers are not given the option of installing solar panels on the roof.

GOALS AND OBJECTIVES: The goal is to increase the amount of new homes that have solar panels on the roof to increase the use of renewable energy in the County.

COORDINATION: Environmental Protection, Consumer Protection, County Attorney

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Robert H. Drummer, Senior Legislative Attorney

APPLICATION WITHIN MUNICIPALITIES: To be researched.

PENALTIES: Class A violation.

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