



2022 Lobby Day Bills

Deposit Legislation – HB 720 (C. Branch) and SB 424 (Hayes) – ECM and JPR

HB 972 was introduced last year and would have prohibited a seller from relisting their property if the seller failed to return earnest money deposits back to the buyer when a transaction fails to settle. The Maryland REALTORS® opposed that bill and met with the sponsor over the summer to improve the return of deposit money when a transaction falls apart. The proposal would allow the holder of the deposit money to automatically return the deposit money if the buyer exercises specified contingencies in the contract. If the parties have a dispute, the parties can still go to court to resolve that.

Legislative History: The bill was introduced as HB 972 last year and passed the House as a Workgroup to study this issue. The bill did not pass the Senate but the Sponsor and the REALTORS® worked over the summer on this bill.

“Love Letters” – In drafting (Queen) – ECM and EHE

With limited housing inventory and strong competition for listings, many homebuyers are forwarding personal statements, pictures and other communication to sellers asking them to consider selling their home to the buyer based on the personal characteristics cited in the communication. Across the country, many attorneys have counseled real estate agents to avoid forwarding these communications because of potential fair housing implications. Oregon recently passed legislation prohibiting real estate licensees from transmitting these personal communications and Maryland REALTORS® supports similar legislation for Maryland.

Legislative History: This is a new bill which has never been considered in Maryland.

Pay at the Table – HB 568 (Carey) and SB 425 (Reilly) – ECM and EHE

The Real Estate Commission offered legal guidance this year that overturned previous guidance which allowed brokers to pay sales agents at the settlement table through the settlement agent. Maryland REALTORS® supports legislation that would clarify the statute to permit brokers, at the broker’s sole discretion, to create “pay at the table” agreements like the agreements that existed for many years.

Legislative History: This is a new bill which has never been considered in Maryland.

ID Affidavit – HB 807 (Queen) – ECM and EHE

When a licensee takes mandatory continuing education classes, the governing regulations require a licensee to produce a photo I.D. Although the photo I.D. requirement has not posed significant issues for in-person classes, the requirement has created problems for virtual classes. In addition to creating a management problem for large classes where it takes considerable time to verify individuals and their I.D. over the web, it also poses privacy issues where I.D.s can be screen captured. Both Washington D.C. and Virginia permit an affidavit to be filled out by virtual class participants. Maryland also permits an affidavit type statement for licensees taking pre-recorded distance learning. Maryland REALTORS® supports legislation clarifying that a written affidavit is also sufficient to establish a person’s identity.

Legislative History: This is a new bill which has never been considered in Maryland.

Condo Insurance – HB 553 (Arentz) – ECM and EHE

Maryland REALTORS® supported legislation last year, HB 1305, which changes Maryland condominium law to require that the council of unit owners only provide insurance for common elements for single-family detached units rather than for essential features of the unit like walls. Attached units would still need to meet the requirement to provide insurance covering both the unit and the common elements.

At least one county, Queen Anne's, has created a "cottage cluster" zoning policy that allows for smaller more densely developed detached units to be built under a condominium regime to help them achieve their workforce housing goals. Unfortunately, when buyers are comparing single-family detached properties built under a homeowners association compared to single-family detached property built under a condominium regime, the community fee can appear much higher due to the difference in insurance policies. Allowing condominium detached properties to have similar home insurance policies to HOAs assists buyers in comparing actual costs between such communities.

Legislative History: This bill was considered last year as HB 1305. It was not considered or voted on by the House Environment and Transportation Committee.

Accessory Dwelling Units – HB 1259 (Belcastro) and SB 871 (Washington) – E&T and EHE

Maryland REALTORS® support legislation that will direct local government to increase accessory dwelling unit (ADU) ordinances. These ordinances permit property owners, at their discretion, to create another independent dwelling unit on their property. Often, these ADU's are used to assist homeowners age in place, accommodate grown children, or provide additional revenue income to families with fixed incomes.

Legislative History: This is a new bill which has never been considered in Maryland.

Partition of Heirs – HB 777 (Rosenberg) and SB 92 (Augustine) – E&T/JUD and JPR

Maryland REALTORS® supports Partition of Heirs legislation which was drafted to prevent a loss of equity that can occur when multiple parties inherit a property as tenants in common. In this situation, real estate speculators can acquire a small share from a single heir, then force the sale of the property from the remaining heirs. That speculator then purchases the entire property through a court-ordered sale at below market value. This legislation provides protections like notice, fair market appraisal, and a true market sale rather than a courthouse sale. Over 19 states have passed a form of this bill.

Legislative History: This is a new bill which has never been considered in Maryland.

Wholesaling

“Wholesaling” refers to a real estate practice in which an investor enters into a contract with a seller and then proceeds to “sell” the contract to another purchaser for another price.

Assignments of contracts are not inherently bad and are not illegal. However, the practice can be abused leaving sellers unaware that the “buyer” is assigning the contract to another party, and the buyer unaware that the “seller” is only a beneficial owner and not the title holder to the property. Because of the misleading practices that sometimes occurs with such transactions, Illinois passed legislation to make clear that any person in the business of “assigning” contracts must hold a real estate license. The Maryland Real Estate Commission has organized a work group to look at the practice.

Legislative History: There is no bill before the Maryland General Assembly on this issue currently.

Mixed Use/Adaptive Reuse

The Maryland Department of Housing and Community Development (DHCD) was charged to study the adaptive reuse of vacant and underutilized commercial spaces to expand the availability of affordable housing. DHCD must report back to the Legislature before 2023. Maryland REALTORS® supports creating incentives and flexibility for local county governments to expand housing opportunities in underutilized commercial areas.

Legislative History: There is no bill before the Maryland General Assembly on this issue currently.

Climate Change – HB 708 (Barve) SB 528 (Pinsky) – E&T and EHE

The most important climate bills before the General Assembly would require larger residential and commercial buildings (over 25,000 square feet) to meet net-zero building requirements (i.e., no carbon emissions) by 2045. There is tremendous concern over whether the building sector can meet these other reduction goals in effective and affordable ways. Even without these bills, Maryland will continue to be a leader in Climate Change legislation and the bills must consider the impact on building costs.

Landlord Tenant

There are many Landlord Tenant Bills, some of the most important:

Bill Number	Summary	Position
HB 298/SB 223	Increase eviction surcharge and makes it unrecoverable	Oppose
HB 323 – Nuisance Law	Take authority away from local counties that pass nuisance laws fining tenants and landlords when a tenant calls emergency services too many times	Support
HB 361/SB 320 – Mold Inspections	Creates an inspection requirement for mold. There are amendments which would make mold a part of ongoing inspections	Opposition, but support amendments to fold the bill into ongoing inspections

HB 367 – Rental Assistance	Landlord cannot file for any court actions if the landlord does not take rental assistance. Imposes a requirement that landlord apply for tenant which is not allowed under current programs	Oppose
HB 551 – Rent Control	Restricts rent on certain units to no more than 2% increase each year	Oppose
HB 691/SB 564 – Wrongful Detainer	Makes several changes including giving squatters free to counsel	Oppose
HB 693 – Eviction Surcharge	Increases the eviction surcharge but keeps it recoverable	Support
HB 724/SB 662	Uses money from the abandoned property fund to fund access to counsel for tenants	Support

Lobby Day Tips for Meeting with Legislators:

1. Scheduled with Legislator but you may meet with staff depending on Legislator's commitments
2. Meetings are generally very short so it is important to introduce yourself and get back to the issues.
3. The General Assembly is committee driven. Legislators will be most interested in issues being heard in their committee. If you are meeting with a legislator who does not sit on a committee with one of our bills, let them know that you hope they can support/oppose the issue when it reaches the floor.
4. Don't worry about being able to answer technical questions about the bill, you can refer the legislator to Maryland REALTOR® lobbyists for that. Let them know why you think the law change is important.
5. Thank you for taking time to participate!

NOTES:

APP – House Appropriations Committee

ECM – House Economic Matters Committee

E&T – House Environment and Transportation Committee

JUD – House Judiciary Committee

HGO – House Health and Government Operations Committee

W&M – House Ways and Means Committee

B&T – Senate Budget and Taxation Committee

EHE – Senate Education and Environment Committee

FIN – Senate Finance Committee

JPR – Senate Judicial Proceedings Committee