



2018 Legislative Priorities

First-Time Homebuyer Savings Account

Maryland REALTORS® support tax-free savings accounts for first-time homebuyers. First-time homebuyers or individuals creating an account for a first-time buyer beneficiary could deposit up to \$50,000 (state tax free) in an account. If the money was not used for a first-time home purchase, the holder of the account would be subject to the state tax and penalties.

Escrow Money Held by Third Parties

Maryland REALTORS® support legislation to regulate third party companies holding real estate earnest money deposits. These deposits were once held almost exclusively by real estate brokers. While there is no legal prohibition against such companies holding earnest money deposits, these third party companies are not subject to the same regulatory requirements as real estate brokers. Some companies may require agreement among the parties to establish an account and detail what happens with the money when a transaction falls apart, while other companies may provide little guidance to sellers and buyers. Consequently, the Maryland REALTORS® believe home sellers and buyers would benefit from state law providing basic rules on how the money is deposited, held and disbursed.

Guarantee Fund

Maryland REALTORS® support statutory changes to the Maryland Real Estate Commission “Guarantee Fund.” The Guarantee fund compensates consumers when a real estate agent has violated their legal obligations. Real estate licensees pay a separate guarantee fund payment when they apply for their initial licensing. The law also specifies that if the Fund falls below \$250,000, then all licensees will be assessed an additional fee to recapitalize it. Although the fund is not likely to fall below \$250,000 in the near term, the fund has experienced some large payouts. Given that the Real Estate Commission’s current budget is healthy, the Maryland REALTORS® would like to give the Commission authority to transfer up to \$500,000 from their general fund to the Guarantee Fund when it is close to falling below the statutory minimum. Such authority would help licensees avoid a special assessment if the Commission’s general fund is already flush with real estate licensing fees.

Broker Succession

The Maryland REALTORS® supports a technical change to the Maryland Real Estate Brokerage Act. Current law provides direction regarding the continuation of a brokerage after the death of the broker but has no corresponding language providing direction when a broker is disabled and unable to continue operating the company. Other states have updated their statutes to address this situation by adding “disability of a broker” to the statute. In such cases, a family member would have a period of time to attain a broker’s license and continue the business or time to sell the business.

Septics

Although the 2017 Maryland General Assembly rejected legislation that would have expanded the Best Available Technology (BAT) requirement for septic systems to new construction outside of Maryland’s Critical Areas, a work group has been studying potentially new septic initiatives. Maryland REALTORS® are opposed to legislation that would extend the BAT requirement outside of the Critical Areas. In addition, the Maryland REALTORS® would oppose mandatory septic pump outs or mandatory inspections of such systems.