



SUMMARY OF 2022
REAL ESTATE LEGISLATION
Maryland REALTORS®

AFFORDABLE HOUSING AND TAXES

**HB 69/SB 247 – State Department of Assessments and Taxation – Real Property
STATUS: PASSED -- Effective October 1, 2022**

Requires the State Department of Assessments and Taxation (SDAT) to publish on its website a plain language description of the methodology used to determine property values. The bill also clarifies the type of information that an Appeals Authority may use when reviewing a property's value including depreciation factors.

**HB 108/SB 524 – Public Utilities – Energy Efficiency and Conservation Programs –
Energy Performance Targets and Low-Income Housing
STATUS: PASSED – Effective July 1, 2022**

Establishes a reduction target of 0.4% of gross energy savings per year for certain lower income individuals in Maryland. The bill charges the Department of Housing and Community Development (DHCD) to work with other agencies to plan and implement assistance programs to achieve these goals. There is also a task force created to help create the energy plan.

**HB 203/SB 197—Homestead Property Tax Credit Program – Retroactive Qualification
and Calculation of the Credit
STATUS: PASSED – Effective June 30, 2022**

Would permit the State Department of Assessments and Taxation (SDAT) to apply the Homestead Property Tax Credit retroactively in situations where a homeowner failed to apply for the credit in the previous year.

**HB 204/SB 181 – Homeowners' Property Tax Credit – Application Filing Deadline –
Extension
STATUS: PASSED – Effective June 30, 2022**

Similar to the previous bill, this would allow a homeowner to apply for the Homeowner Property Tax Credit (different than the Homestead tax credit) within 1 year after April 15th of the taxable year in which the credit was sought. Would apply to first-time applicants or applicants who have filed in each of the 3 taxable years immediately preceding the current year.

**HB 409 – Corporations and Associations – Annual Reports – Fees for Electronic Filings
STATUS: NOT PASSED**

Would have eliminated corporate filing fees if the entity or individual filed electronically.

**HB 449 – Property Tax- Renters’ Property Tax Relief Program – Application Period
STATUS: PASSED – Effective June 1, 2023**

Permits renters who are over age 70 to apply retroactively for the Renters Tax Credit within 3 years of eligibility.

**HB 480 – Homestead Property Tax Credit – Calculation of Credit for Dwelling
Purchased by First-Time Homebuyer
STATUS: NOT PASSED**

Although the Homestead Tax Credit is not typically transferable from a seller to a buyer, HB 480 established a process for a homebuyer to receive an additional amount added to the homestead tax credit based on the previous property owner’s assessment. The additional assessment amount would be phased out over a 5-year period.

**HB 483 – Homeowners’ Property Tax Credit – Identification of Eligible Homeowners
STATUS: PASSED – Effective October 1, 2022**

Requires the Comptroller to identify property owners who failed to file an income tax return in the last three years and may have been eligible for the Homestead Tax Credit. Once identified, the Comptroller shall inform the homeowner and help in applying for the credit.

**HB 677 – Homestead Property Tax Credit – Portability of Value to New Dwelling
STATUS: NOT PASSED**

Would have permitted a homeowner to carry over the homestead tax credit (no more than \$25,000) from one property to a new property within three years.

**HB 809/SB 976 – Property Tax Exemption – Disabled Veteran, Active Duty, and
Surviving Spouse
STATUS: PASSED – Effective October 1, 2022**

Establishes a process for eligible individuals to apply for the disabled veteran property tax exemption prior to purchase. This would allow a purchaser to have the benefit of the tax credit calculated in their loan payments and closing costs. The state is required to process the application within 15 days. The tax exemption applies only to 100% disabled veterans and their surviving spouses and applies to 100% of the state and local property tax.

**HB 927/SB 744 – Housing and Community Development – Affordable Housing – Listing
and Disposal of Excess Real Property
STATUS: PASSED – Effective June and October 2022 (different provisions have
different effective dates)**

Allocates up to \$30 million from the administrative income tax refund account controlled by the Comptroller to the Maryland Rental Housing Fund overseen by the Department of Housing and Community Development (DHCD). The bill also creates a process for reviewing excess or surplus state-owned property that may be suitable for conversion to workforce or affordable housing. The process allows the sale or donation of the property to either a nonprofit organization or developer.

HB 1186 – Property Tax Credit – Elderly Individuals, Veterans, and Surviving Spouses – Alterations

STATUS: PASSED – Effective June 1, 2022

Enables county governments to greatly expand a property tax credit to elderly, veterans and surviving spouses. The bill eliminates caps on how long the credit may be granted and how much the credit may exceed a property owner's current tax liability.

HB 1200/SB 818 – Accessory Dwelling Unit Authorization and Promotion Act

STATUS: NOT PASSED

Would have required local governments to have a robust Accessory Dwelling Unit (ADU) law permitting homeowners to establish an independent dwelling unit in or on their property.

HB 1345 – Sales of Residential Real Property – Offers to Purchase and Transfer Tax

STATUS: NOT PASSED

Would have prohibited sellers from accepting offers from certain real estate enterprises or institutional investors during a 30-day lock out period and levied a 15% transfer tax on certain institutional purchases.

HB 1417 – Recordation and Transfer Taxes – First-Time Maryland Home Buyer – Payment and Exemptions

STATUS: NOT PASSED

Would have changed the definition of "first-time homebuyer" under the first-time homebuyer transfer tax exemption. Under current law, a first-time homebuyer must never have owned a principal residence in Maryland. Under the bill, a "first-time Maryland homebuyer" must never have owned a principal residence in Maryland during the last 7 years.

SB 52 – Real Property – Satisfaction of a Mortgage – Required Homeowner's Insurance (Cassidy's Law)

STATUS: NOT PASSED

Would have required an owner of a home not subject to a mortgage to carry a \$100,000 insurance policy for bodily or personal injury occurring on the property.

REAL ESTATE BROKERAGE AND CONTRACTS

HB 250 – Private Well Safety Act of 2022

STATUS: NOT PASSED

Among other provisions, would have required a real estate contact (for a property with a private or domestic water supply) to include a provision requiring the purchaser to test the quality of the water unless the parties waived the testing requirement. Would have required the test results to be provided to both the seller and purchaser prior to settlement. The bill also authorized a grant program for local governments to help fund testing and remediation of wells.

HB 268/SB 274 – Property Tax – Exemptions for Business Personal Property – Alterations

STATUS: PASSED – Effective June 1, 2022 for tax years starting after June 30, 2022

Increases the state tax exemption for personal business property from \$10,000 to \$20,000 and clarifies that the state may not collect personal property information from the taxpayer or require the taxpayer to submit a personal property tax return when using the exemption. Previous rules required the filing of a personal property tax return for any property over \$2,500.

HB 568/SB 425 – Real Estate Associate Brokers and Salespersons – Compensation – Payment from Title Insurance Producer

STATUS: PASSED – Effective October 1, 2022

Clarifies that title companies may pay compensation to a real estate licensee on behalf of the real estate broker according to a written disbursement authorization provided by the real estate broker. The clarification seeks to continue “pay at the table” options provided by some real estate and title companies. Previously, the Real Estate Commission expressed concern over the statutory authority for such transactions which had been common for over 30 years.

HB 663/SB 317 – State Government – Notarial Acts – Fees and Use of Communication Technology

STATUS: PASSED – Effective October 1, 2022

Increases the fees that notaries may charge based on whether the notarization was in person (maximum of \$25) or remote (maximum of \$50). The bill also clarifies that any remote notarization conducted during the Pandemic emergency order was valid. Finally, the bill clarifies certain procedures regarding remote notarizations including its application to wills and trusts and clarifying the process for remote ink notarizations.

HB 720/SB 424 – Real Estate – Real Estate Brokerage Services and Termination of Residential Real Estate Contracts (The Anthony Moorman Act)

STATUS: NOT PASSED

Would have brought balance back to the return of deposit law in Maryland by allowing purchasers to receive their deposit money within 30 days after notifying an escrow holder that the purchaser is exercising certain contingencies in the contract. Currently, sellers can deny the lawful return of deposit money to a buyer by simply not signing a deposit release.

HB 762/SB 678 – Real Property – Residential Contract of Sale – Buyer Identification

STATUS: NOT PASSED

As drafted, the bill would have permitted buyers to sign contracts without their legal name in order to hide their protected class status. The Legislature considered a number of amendments to the bill, including allowing buyers to sign contracts with just their initials.

HB 777/SB 92 – Real Property – Partition of Property

STATUS: PASSED – Effective October 1, 2022

Provides additional protections to joint tenants whose property is being sold through a partition sale. The bill provides better disclosures, a market rate appraisal of the property, the opportunity to purchase the property and a requirement that if a partition sale is ordered, the sale would be a market sale using a real estate broker.

HB 807 – Real Estate Brokers, Salespersons, and Associate Brokers – Continuing Education Courses – Verification of Identity

STATUS – PASSED – Effective October 1, 2022

Establishes that Zoom-type continuing education classes may use a written affidavit to verify the identity of class participants rather than showing a picture I.D.

HB 834 – On-Site Sewage Disposal systems – Outreach and Education (Septic Awareness Act of 2022)

STATUS: NOT PASSED

Would have established the SepticSmart Week in Maryland in conjunction with the U.S. Environmental Protection Agency (EPA) SepticSmart Week activities. Would also have required a septic disclosure in the real estate contract similar to the Montgomery County septic disclosure which educates owners about septic system care.

HB 1077 – Department of Housing and Community Development – Racial Equity Impact Assessment

STATUS: NOT PASSED

Would have required the Department of Housing and Community Development (DHCD) to conduct an annual review of the impact of financial assistance programs on racial minorities. DHCD is already conducting a similar review but it won't be a recurring review like under this bill.

HB 1097 – Task Force on Property Appraisal and Valuation Equity

STATUS: PASSED – Effective June 1, 2022

Requires the Department of Housing and Community Development (DHCD) to oversee a Task Force on Property Appraisal and Valuation Equity. The Task Force would be required to include representatives from various real estate related businesses including REALTORS®. The Task Force must report its findings to the Governor and the General Assembly on or before October 31, 2023.

HB 1457 – Real Estate Transactions – Prospective Buyer Communication – Personal Information

STATUS: NOT PASSED

Would have prohibited real estate licensees from transmitting real estate “love letters” from one party to another. These communications often contain information and sometimes pictures regarding the personal characteristics of the sender which may violate fair housing laws. About a week after the bill was submitted, an Oregon Federal District Court issued an injunction against a similar Oregon law.

COMMON OWNERSHIP COMMUNITIES

HB 26 – Real Property – Regulation of Common Ownership Community Managers

STATUS: NOT PASSED

Would have created a State Board of Common Ownership Community Managers to regulate and oversee Common Ownership Communities.

HB 71 – Manufactured Homes – Sale of Manufactures Housing Communities

(Manufactured Housing Modernization Act)

STATUS: NOT PASSED

Would have established a right of first refusal for a Homeowners Association (HOA) that unanimously votes to make an offer to a manufactured home community owner who receives an offer to purchase from another party. The offer from the community's HOA must be "substantially similar" to the other party's offer.

HB 107 – Cooperative Housing Corporations, Condominiums, and Homeowners

Associations – Reserve Studies – Statewide

STATUS: PASSED -- Effective October 1, 2022

Expands the requirement for reserve studies to housing cooperatives, condominiums and homeowners associations outside of Montgomery and Prince George's County. The first reserve study would need to be completed by October 1, 2023 and updated every 5 years.

HB 553 – Condominiums – Mandatory Insurance Coverage – Alterations

STATUS: NOT PASSED

Would have clarified that single-family, detached dwelling units organized under a condominium regime may provide insurance like single-family detached housing under an HOA regime. This change helps the marketing of Cottage home detached dwellings created under a condominium regime.

HB 615 – Real Property -- Condominium and Homeowners Associations – Dispute

Settlement

STATUS: PASSED – Effective October 1, 2022

Establishes a dispute resolution process for HOAs that is similar to the process for condos. It applies to complaints initiated after October 1, 2022 unless the bylaws state an alternative process. In general, the dispute settlement procedures establish that a violator of the bylaws must be given notice and time to correct the violation before fines may be imposed.

HB 616 – Cooperative Housing Corporations – Dispute Settlement and Eviction

Procedures

STATUS: NOT PASSED

Similar to the bill above, the legislation would have created a dispute settlement process for housing coops.

HB 1295 – Multifamily Dwellings – Smoking Policies

STATUS: NOT PASSED

As amended by the House, the legislation would have required the governing body for a multi-family building in a condominium community or cooperative to develop a smoking policy for the building. The policy would have to meet certain requirements such as noting where smoking is permitted and prohibited.

LAND-USE, PROPERTY RIGHTS, AND THE ENVIRONMENT

HB 61/SB 81 – Charter Counties – Enforcement of Local Building Performance Laws (building Energy Performance Standards Act of 2022)

STATUS: NOT PASSED

Would have increased the penalty that a Charter County may impose if a building is not meeting the local Building Energy Performance Code. This legislation changes the penalty to \$10 per square foot of gross floor area. Charter counties today usually cap civil fines at \$1,000 to \$2,000.

HB 318 – Environment – On-Site Wastewater Services – Regulation

STATUS: PASSED – Effective July 1, 2022

Establishes the Board of On-Site Wastewater Professionals within the Maryland Department of Environment. The Board will regulate individuals engaged in most on-site wastewater services except for inspectors engaged during a property transfer. Property transfer inspectors are already regulated by MDE and must have a license to conduct inspections starting July 1, 2022.

HB 402/SB 221 – Department of the Environment – Enforcement Authority

STATUS: NOT PASSED

Would have increased enforcement penalties for violating certain state environmental permits.

HB 596/SB 783 – Constitutional Amendment – Environmental Rights

STATUS: NOT PASSED

Would have established a right under Maryland's Constitution for a healthful and sustainable environment which may not be infringed by the State.

HB 1200/SB 818 – Environment – Permit Applications – Environmental Justice Screening

STATUS: PASSED – Effective October 1, 2022

Creates an Environmental Justice (EJ) Score for projects seeking certain state permits. As introduced, the bill would have applied to all state permits. As passed, the bill applies to a limited number of state permits, including: air quality; landfills; incinerators; hazardous substances; water discharge permits; storage of sewage sludge; and storage of nuclear waste.

SB 528 – Climate Solutions Now Act of 2022

STATUS: PASSED – Effective Different sections have different effective dates but generally June 1, 2022

Establishes broad goals for Maryland to reach net-zero greenhouse gas emissions by 2045, including net-zero gas emissions for specified buildings by 2040. The bill also requires owners of affected buildings to measure and report emissions to the Maryland Department of Environment (MDE) beginning in 2025. The building requirements in the bill apply to commercial or multi-family residential buildings and state buildings that have a gross floor area of 35,000 square feet or more. The legislation permits buildings having trouble meeting the goals to pay a fee in lieu of meeting those requirements.

PROPERTY MANAGEMENT

HB 86/SB 6 – Landlord and Tenant – Residential Leases – Tenant Rights and Protections (Tenant Protection Act of 2022)

STATUS: PASSED – Effective October 1, 2022

Bill makes four changes to law. It requires a landlord who uses a Ratio Utility Billing System (RUBS) to disclose that to a prospective tenant and provide a statement detailing the methodology used and the average monthly utility costs of tenants (for a calendar year). Landlords must also provide an itemized list of the damages repaired when returning a security deposit or an estimate of the anticipated costs. Apartment facilities must provide tenant groups with free meeting space at least once a month. Finally, the bill expands the law allowing victims of abuse to break a lease.

HB 91 – Irredeemable Ground Rents – Notice and Filing Requirements

STATUS: PASSED -- Effective October 1, 2022

Gives owners of irredeemable ground rents an extension of time to renew the irredeemability of the ground rent by April 1, 2023. Without this legislation, irredeemable ground rents which had not recorded their irredeemability would have been converted to redeemable ground rents.

HB 174 – Landlord and tenant – Repossession for Failure to Pay Rent – Registration and License Information

STATUS: PASSED – Effective October 1, 2023

Clarifies that a landlord's compliance with the Lead Poisoning Prevention Program may be an issue of fact in a trial regarding nonpayment of rent.

HB 263 – Real Property – Nuisance Actions – Rodent Harborage

STATUS: NOT PASSED

Would have authorized anyone to bring a nuisance action against another person whose property supported a rodent harborage. If successful, the nuisance action would permit a person to receive compensatory and punitive damages.

HB 298/SB 223 – Landlord and Tenant – Eviction Actions – Filing Surcharge and Prohibited Lease Provisions

STATUS: NOT PASSED

Would have increased the court's eviction surcharge from \$8 to \$73 and prohibited the judge from awarding the fee as court costs to a prevailing landlord.

HB 323 – Real Property – Limitations on Summoning Law Enforcement or Emergency Services – Prohibition

STATUS: NOT PASSED

Would have prohibited local governments from imposing nuisance laws that penalize landlords and tenants when a tenant calls for emergency services. Some local governments may fine and force eviction of a tenant who calls emergency services more than a selected number of times a year.

HB 343 – Residential Rental Properties and Mobile Home Parks – Security Deposits - Rate of Interest

STATUS: NOT PASSED

Would have eliminated the 1.5% interest rate floor required for tenant security deposits. Instead, the rate would follow the daily U.S. Treasury yield curve for 1 year with no floor or cap.

HB 361/SB 320 – Mold Inspections and Remediation – Standards, Reporting, Penalties, and Tax Credit

STATUS: NOT PASSED

Would have required mold inspections for rental properties throughout the state.

HB 367 – Landlord and Tenant – Repossession for Failure to Pay Rent – Rental Assistance Programs

STATUS: NOT PASSED

Would have significantly delayed any court action filed by a landlord if the tenant was in the process of applying for rental assistance. See HB 674/SB 384 which is similar and passed.

HB 521 – Landlord and Tenant – Repossession for Failure to Pay Rent – Shielding of Court Records

STATUS: PASSED – Effective October 1, 2022

Permits the shielding of court records related to a failure to pay rent on or after March 5, 2020 but before January 1, 2022. Shielding would not apply to any actions for repossession that resulted in a money judgment in favor of the landlord unless the judgment has been satisfied. In order to be granted shielding, the tenant must show the nonpayment of rent was related to a loss of income arising out of the COVID-19 pandemic.

HB 551 – Real Property – Residential Leases – Notification of Rent Increases

STATUS: NOT PASSED

As introduced, would have capped rent increases for certain rental properties. As amended, would have required residential leases for a term of at least 1 year to notify the tenant of rent increases of more than 4% at least 90 days prior to the increase.

HB 674/SB 384 – Landlord and Tenant – Stay of Eviction Proceeding for Rental Assistance Determination

STATUS: VETOED

Establishes that a court shall stay an eviction or execution of a warrant of restitution for nonpayment against a tenant who has applied for rental assistance before or within 30 days after the landlord files a complaint. The stay terminates when the application and funds for rental assistance are disbursed to the tenant or after 35 days whichever is sooner. However, if the tenant has received rental assistance, it is likely the court will not grant eviction.

HB 691/SB 564 – Landlord and Tenant and Wrongful Detainer Actions – Eviction Prevention Services

STATUS: NOT PASSED

Would have provided access to counsel for individuals subject to a wrongful detainer action.

HB 824/SB 629 – Landlord and Tenant – Eviction Data – Collection and Distribution

STATUS: PASSED – Effective October 1, 2022
Requires the Judiciary to collect eviction data every month and publish it on the Department of Housing and Community Development's (DHCD) website. The data dashboard would track the information by zip code and census tract area.

HB 881 – Landlord and Tenant – Residential Leases and Holdover Tenancies – Local Just Cause Termination Provisions

STATUS: NOT PASSED

Would have enabled local governments to pass “just cause” termination legislation that restricts landlords from terminating leases at the end of the lease term. Conditions that would be considered “just cause” include conditions such as: a tenant committing a substantial breach of the contract; the landlord removing the dwelling from the rental market; the tenant failing to grant access to the landlord; and the tenant engaging in disorderly conduct; etc. The bill would have forced landlords to renew leases of tenants who continually pay late.

HB 932/SB 592 – Landlord and Tenant – Right to Redemption of Leased Premises – Form of Payment

STATUS: PASSED – Effective Upon Governor's Signature

Clarifies that an electronic or written check issued by a local government on behalf of a tenant shall have the same legal effect as payment from the tenant. This would allow rental assistance payments to be used by a tenant exercising their right of redemption when facing eviction.

HB 1064/SB 816 – Real Property – Actions for Possession – Pet Protections

STATUS: NOT PASSED

Would have required a fact sheet about how to handle pets during an eviction to be handed out to all tenants. It also required the sheriff's office to make arrangements for any pets left in a vacated property.

**HB 1110 – Environment – Lead Poisoning Prevention – Elevated Blood Lead Level
STATUS: PASSED – Effective July 1, 2022**

Extends the amount of time that the Maryland Department of Environment (MDE) has to lower the elevated blood lead level to the United States Center for Disease Control level. That level is the trigger level at which a child will be notified about an elevated blood lead level and when remediation may be required for a property. Currently Maryland's trigger level is 5 uG/DL (micrograms of lead per deciliter) and will drop down to 3.5 uG/DL starting on January 1, 2024 or whatever level the CDC has set after December 31, 2023. The bill also makes clear that Maryland has one year to set its trigger level after the CDC announces any new trigger levels.

**HB 1309 – Landlord and Tenant – Repossession for Failure to Pay Rent – Procedures
STATUS: NOT PASSED**

Would have required landlords to provide two notices once a judgment for repossession has been issued in the landlord's favor. The first notice must be mailed by first-class mail with a certificate of receipt at least 14 days prior to the date of repossession. The second notice must be posted on the premises at least 7 days prior to repossession. The notices must explain the landlord's award of repossession, the tenant's right to redemption under law, and, importantly, if eviction occurs, that any personal property remaining on the property will be considered abandoned.

**HB 1326 – Income Tax – Subtraction Modification – Rental Real Estate Activities
STATUS: NOT PASSED**

Would have established more generous passive loss rules for real estate by eliminating the phase out of the \$25,000 standard deduction for higher income earners.

**SB 347 – Anne Arundel County – Landlord and Tenant – Procedures for Failure to Pay Rent
STATUS: NOT PASSED**

Would have required a specific notice of eviction to be provided to tenants in Anne Arundel County at least 14 days before the intended date of repossession. The tenant would also need to be informed of the actual date of eviction.

COMMERCIAL

HB 27/SB 289 – Historic Revitalization and Enterprise Zone Tax Credits – Alterations and Eligibility

STATUS: PASSED – Effective June 1, 2022

Increases the amount of assistance that small commercial projects under the Historic Revitalization and Enterprise Zone Tax Credit can access. The bill also increases the overall funding of the program.

SB 361 – Income Tax – Carried Interest – Additional Tax

STATUS: NOT PASSED

Would have imposed an additional 17% tax on certain pass-through-entity's taxable income. Would have levied this extremely high tax on many real estate partnerships despite an attempt to exempt out partnerships where 80% of the value was held in real estate.

SB 528 – Climate Solutions Now Act of 2022

STATUS: PASSED – Effective Different sections have different effective dates but generally June 1, 2022

Establishes broad goals for Maryland to reach net-zero greenhouse gas emissions by 2045, including net-zero gas emissions for specified buildings by 2040. The bill also requires owners of affected buildings to measure and report emissions to the Maryland Department of Environment (MDE) beginning in 2025. The building requirements in the bill apply to commercial or multi-family residential buildings and state buildings that have a gross floor area of 35,000 square feet. The legislation permits buildings having trouble meeting the goals to pay a fee in lieu of meeting those requirements.