

Maryland Real Estate Legislative Update 2020-2021



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AFFORDABLE HOUSING AND TAXES

HB 257/SB 417 - Property Tax - Credit for Disabled Veterans

STATUS: PASSED - Effective June 1, 2020 for tax years starting after June 30, 2020.

Enables local county and municipal governments to grant tax credits against property taxes for disabled veterans and their spouses. The tax credit can be granted for a 50% disability.

HB 566/SB 713 - Opportunity Zone Enhancement Program - Eligibility - Lead-Based Paint Affected Properties

STATUS: PASSED - Effective July 1, 2020, for tax years starting after December 31, 2019.

Clarifies that applicants for Opportunity Zone Property Tax Credits must ensure the property complies with the State Lead Poisoning Prevention Program.

HB 759 - Historic Revitalization Tax Credit - Expansion - Rehabilitations of Common Elements of Condominiums and Cooperative Projects

STATUS: PASSED - Effective July 1, 2020, for tax years starting after December 31, 2019.

Authorizes condominiums and cooperatives to apply for the small commercial project historic tax credits if the project involves the common elements of the structure.

HB 766/SB 700 - Property Tax Credit - Disabled Military Personnel and Surviving Spouses

STATUS: PASSED - Effective June 1, 2020, for tax years starting after June 30, 2020.

Changes the enabling statute granting authority for property tax credits to disabled military personnel and their spouses. The statute now specifies that these individuals may receive a property tax credit even if they are not retired and have not lived in the property for the last 40 years (requirements under the old law). Local governments have authority to establish different criteria for the credit. The credit may not exceed 20% of the total tax and may be granted for up to 5 years.

HB 862/SB 978 - Historic Revitalization Tax Credit - Transferability (Historic Revitalization Tax Credit Improvement Act of 2020)

STATUS: PASSED - Effective July 1, 2020, for tax years starting after December 31, 2020,

Authorizes the Historic Revitalization Tax Credit to be transferred to a third party involved in the transaction like a bank or other investor. Transferability helps monetize the credit thereby increasing the pool of potential investors for projects.

HB 932/SB 1001 - 21st Century Economy Fairness Act

STATUS: PASSED - Effective July 1, 2020.

Imposes the sales and use tax on certain digital products like music, e-books, and videos.

HB 980/SB 775 - Income Tax - Energy Storage Tax Credit - Alterations

STATUS: PASSED - Effective July 1, 2020, for tax years starting after December 31, 2020,

Authorizes a tax credit for residential and commercial property owners against the costs of installing an energy storage system. The credit may not exceed \$5,000 for residential applicants and \$150,000 for commercial applicants. Total credit amounts may not exceed \$750,000 annually.

HB 1076 - Homestead Property Tax Credit - Date of Transfer of Dwelling

STATUS: PASSED - Effective June 1, 2020,

Clarifies that a deed recorded after the start of Maryland's new fiscal year (July 1) may use the date of transfer of the property (between January 1- July 1) to ensure the homeowner's homestead tax credit is not delayed an additional year.

HB 1189/SB 63 - Baltimore City - Property Tax Credit for Newly Constructed

Dwellings - Reauthorization and Modification

STATUS: PASSED - Effective June 1, 2020 for tax years after June 30, 2020 and expires on June 30, 2025.

Reauthorizes the Baltimore City Property Tax Credit for newly constructed dwellings and changes the eligibility to properties assessed at \$500,000 or less. The tax credit may be applied to new construction or substantial rehabilitation of a property.

HB 1200 - Property Tax - Credit to Offset Increases in Local Income Tax Revenues - Eligibility

STATUS: PASSED - Effective June 1, 2022 for tax years after June 30, 2022.

Clarifies that the property tax credit which offsets income tax increases is available only for principal homes receiving the Homestead Tax Credit.

HB 1628 - Sales and Use Tax - Rate Reduction and Services

STATUS: NOT PASSED

Extended the sale and use tax to almost all services in Maryland, including real estate services. Over 700 Maryland REALTORS@ rallied at the Maryland State House in opposition to this bill. Another bill which taxed fewer (non-real estate services), HB 1354, also failed to pass.

SB 48 - Property Tax - Homeowners' and Renters' Property Tax Credits - Deadlines STATUS: PASSED - Effective June 1, 2020 for tax years beginning after June 30, 2020. Extends from September 1 to October 1 the amount of time available to apply for the Renters or Homeowners tax credit (not the Homestead Exemption) and requires the State Department of Assessments and Taxation (SDAT) to make available the Homeowner's tax credit application by February 15.

SB 523 - Income Tax - Pass-Through Entities and Corporations

STATUS: PASSED - Effective July 1, 2020 for tax years beginning after December 31, 2019.

Authorizes small businesses to use pass-through entities to avoid the credit and deduction limitations placed on individuals under the federal tax reform legislation, including the \$ 10,000 cap on the deduction for state and local property taxes.

REAL ESTATE BROKERAGE AND CONTRACTS

HB 93/SB 155 - Consumer Protection - Mobile Home Purchasers

STATUS: PASSED - Effective October 1, 2020.

Establishes a duty of good faith, restrictions on steering, and notice about foreclosure on mobile home retailers.

HB 94/SB 152 - Estates and Trusts - Rule Against Perpetuities

STATUS: PASSED - Effective October 1, 2020.

Clarifies that a statutory exemption to the Rule Against Perpetuities applies only to lease options that may be exercisable during the time of the lease. Options extending beyond the lease would be void. The Rule Against Perpetuities ensures that non-vested future interests are valid only if they vest not later than twenty-one years after a life in being at the creation of the interest.

HB 116/SB 164 - Home Builder Guaranty Fund - Award Limitations - Revisions

STATUS: PASSED - Effective October 1, 2020.

Increases the aggregate limitation on Home Builder guarantee fund payouts to \$500,000 from \$300,000. Individual payouts are still limited to \$50,000.

HB 149 - Real Property - Ground Leases - Required Notifications - Private Transaction Redemptions

STATUS: PASSED - Effective October 1, 2020.

Clarifies that a leasehold tenant may notify the State Department of Assessments (SDAT) about a ground lease redemption. Although the ground rent holder is required to notify SDAT, many times the owner fails to notify SDAT.

HB 172 - Real Property - Ground Leases - Repeal of Registration Fees

STATUS: PASSED - Effective October 1, 2020.

Repeals the registration fee for ground rent registrations.

HB 241/SB 170 - Real Property - Ground Leases - Past Due Ground Rent

STATUS: PASSED - Effective October 1, 2020.

Permits title companies to stop escrowing three years' worth of ground rent if the ground rent was never registered.

HB 314 - Real Property - Lien Priority of Refinance Mortgages - Exception for Government Junior Mortgages

STATUS: PASSED - Effective June 1, 2020

Ensures that the Department of Housing and Community Development (DHCD) is notified when a participant in the Maryland Mortgage Program refinances a loan so that the Department can recapture the down-payment assistance loan which is a junior lien to that MMP loan.

HB 349/SB 280 - Occupational and Professional Licensing - Service Members, Veterans, and Military Spouses - Revisions to Reciprocity Requirements STATUS: PASSED - Effective October 1, 2020.

Amends the expedited licensing law for licensing bodies like the Real Estate Commission. Clarifies that a service member, veteran or military spouse can receive an expedited license based on the individual having held the same license in good standing in another state for at least one year. It clarifies that an applicant seeking multiple licenses must show good standing for all the licenses.

HB 481/SB 131 - State Highways - Commercial Signs in Rights - of -Way - Penalties STATUS: PASSED - Effective October 1, 2020.

Although these bills were not identical, both increased the penalties for violations of commercial signs in state right-of-ways. SB 131 was passed and keeps the current fine at \$25 but increases the fine to \$100 if the commercial sign is affixed to a state sign, signal or marker. HB 481 would have increased all fines to a maximum of \$1,000 but did not pass.

HB 1077 - Real Property - Deletion of Unlawful Ownership Restrictions - Exemption from Fees and Surcharges

STATUS: PASSED - Effective October 1, 2020.

Prior legislation created an easier process to remove illegal covenants affecting race, religious belief or national origin from property records for community groups and homeowners. This legislation eliminates the fees associated with recording such documents.

HB 1084/SB 154 - Real Property - Recordation of Deeds - Assignments of Rents and Assignments of Leases for Security Purposes

STATUS: PASSED - Effective October 1, 2020.

Adds assignment of rents and assignment of leases for security purposes to the statute allowing a deed to be recorded or released without needing a certificate of preparation by an attorney admitted to the Maryland Bar.

HB 1182/SB 806 - Real Property - Redemption or Extinguishment of Ground Rents

STATUS: PASSED - Effective October 1, 2020.

Creates a clearer process to redeem a ground rent that may have multiple sub leases.

HB 1444/SB 531 - Discrimination - Definition of Race - Hair Texture and Hairstyles

STATUS: PASSED - Effective October 1, 2020.

Clarifies that certain hairstyles associated with race are included in the definition of race under anti-discrimination laws. Traits associated with race include hair texture, afro hairstyles and protective hairstyles "like braids, twists and locks."

HB 1446/SB 350 - State Real Estate Commission - Continuing Education Requirements - Ethics and Professionalism

STATUTS: PASSED - Effective October 1, 2020

Requires a professionalism component as part of the 3-hour mandatory Ethics Class. Does not increase the total number of hours required for continuing education.

SB 6 - State Real Estate Commission - Sunset Extension

STATUS: PASSED - Effective October 1, 2020.

Extends the authority of the Real Estate Commission for another 10 years until July 1, 2032.

SB 570 - Real Property - Notice of Easements, Covenants, Restrictions, and Conditions - Recordation

STATUS: PASSED - Effective October 1, 2020.

Authorizes a notice of easement, covenants or other property restriction to be recorded in the land records. Because title searches do not examine the entire title of a property, there are times when easements and other property restrictions are missed. By allowing a notice to be recorded closer to sale, the property restriction is more likely to be discovered by a title search. The bill is not mandatory but allows parties who wish to enforce their rights to record the notice.

SB 636 - Maryland Revised Uniform Law on Notarial Acts - Requirements for Appointment as a Notary Public - Alterations

STATUS: PASSED - Effective October 1, 2020.

The bill delays sections of the Notary law passed year which adds new education requirements and testing for notaries. The bill would have also delayed the provisions of the law permitting remote notarization, but those provisions were amended so that remote notarization could take effect this Fall. Due to the COVID-19 Pandemic, the Governor issued an emergency order making the remote notary provisions in the law effective as of March 30th, 2020. If this emergency order is rescinded before October 1, 2020 and without further direction on this matter, remote notarizations will be suspended until the October 1, 2020 effective date.

COMMON OWNERSHIP COMMUNITIES

HB 25/SB 293 - Condominiums and Homeowners Associations - Amendments to Declarations and Governing Documents

STATUS: PASSED - Effective October 1, 2020.

Changes the notice requirements of Common Ownership Communities (CoCs) to lenders. Sometimes governing documents require the notice and approval of lenders to make changes. This legislation still requires CoCs to give notice but if the lender does not object within 60 days, it is assumed that the lender granted consent. The bill does not apply to amendments

altering the priority of the lien or materially impairing the unit as collateral. The bill would also not impair the rights of the holder under the mortgage or deed of trust. In these three instances, the lender must still give express consent.

HB 108/SB 175 - Condominiums - Responsibility for Property Insurance Deductibles
STATUS: PASSED - Effective October 1, 2020,

Makes changes to the current law regarding insurance coverage of condominium common areas. Clarifies that the Condominium association's insurance is responsible for damages to the common areas originating outside of the condominium and not just damages from within the common areas. The bill also clarified that if the damage results from an owner's unit, the owner is responsible for paying the Condominium association's deductible up to \$10,000. That amount can be insured in the owner's policy and was increased from \$5,000.

PROPERTY MANAGEMENT

HB 231/SB 530 - Housing Opportunities Made Equal Act

STATUS: PASSED - Effective October 1, 2020

Creates a new protected class for "source of income" for all housing discrimination. As it applies to rentals, this provision would require landlords to accept federal housing vouchers. Landlords would still be able to determine the ability of a tenant to pay rent based on the tenants income and creditworthiness and using other commercially reasonable and nondiscriminatory methods.

MISCELLANEOUS

HB 196/SB 124 - Maryland Health Benefit Exchange - Assessment Applicability and Report on State-Based Individual Market Health Insurance Subsidies
STATUS: PASSED - Effective July 1, 2020.

Requires the Maryland Health Benefit Exchange (MHBE) to report on different subsidies for the individual market.

HB 999/SB 540 - Member-Regulated Cooperatives - Establishment (Rural Broadband for the Eastern Shore Act of 2020)

STATUS: PASSED - Emergency legislation that becomes effective upon Governor's signature

Reclassifies Choptank Electric as a member-regulated cooperative that will permit Choptank to provide broadband internet services to its members. The Eastern Shore is one of the most underserved areas of the state for broadband.

AFFORDABLE HOUSING AND TAXES

HB 58/SB 117 - Workgroup on Minority Homeownership, Neighborhood Revitalization, and Household Wealth Equity STATUS: NOT PASSED

Directed the Maryland State Department of Housing and Community Development (DHCD) to staff a workgroup charged with studying, among other provisions, the gap in homeownership rates between people of color and white residents. Although this bill was not passed, elements of the bill's scope of work were added to HB 1239 (see below).

HB 90/SB 687 - State and Local Housing Programs - Affirmatively Furthering Fair Housing

STATUS: PASSED - Effective October 1, 2021 with reports due no later than December 1, 2023

Directs DHCD and local governments to report every 5 years on their efforts to promote fair housing choice and racial and economic integration, as required by the United States Department of Housing and Urban Development (HUD) Agency under the Affirmatively Furthering Fair Housing Rule (AFFH). Directs DHCD to assess their programs under the AFFH. Directs local government to include a local assessment of fair housing efforts in the housing element of their comprehensive plans starting on January 1, 2023.

HB 97/SB 66 - Department of Housing and Community Development - Office of Statewide Broadband - Established (Digital Connectivity Act of 2021)

STATUS: PASSED - Effective April 13, 2021

Creates a statewide office with the goal of having 98% of Maryland households connected to fast internet by January 1, 2026. The Department will work to put together a plan by July 1, 2022, monitor implementation and establish a fund to assist in expanding broadband by offering a capacity building grant program to local government and nonprofits. Finally, \$300 million of federal CARES Act has been designated for broadband expansion in Maryland.

HB 252 - Tax Sales - Owner-Occupied Residential Property

STATUS: PASSED - Effective June 1, 2021 for a period of 2 years and 1 month. At the end of June 30, 2023, the law would expire.

Authorizes local governments to withhold owner-occupied residential property from a tax sale.

HB 815 - State Agricultural Land Transfer Tax - Application of Nonagricultural Use Reduction and Exemption

STATUS: PASSED - Effective June 1, 2021

Clarifies that agricultural transfer tax rate changes passed in 2019 (increasing the tax), are not applied to agriculture real estate transactions in which the contract was signed prior to the effective date of the bill but the settlement took place after the effective date. The bill applies the prior tax rates in those cases. Transactions that occurred during this time may apply for a tax refund.

HB 852 - Property Tax - Tax Sales - Homeowner Protection Program

STATUS: PASSED - Effective July 1, 2022

Local tax collector must withhold from tax sale a homeowner registered for the Homeowner Protection Program. A homeowner with a primary residence valued at \$300,000 or less and a combined household income of \$60,000 or less may be eligible to apply for the protection program. An approved applicant may participate in the program for up to 3 years during which time an ombudsman will work with the homeowner to place him/her on a more sustainable path.

HB 1178 - Income Tax - Subtraction Modification - First-Time Homebuyer Savings Accounts

STATUS: PASSED - Effective July 1, 2021 for tax years starting after December 31, 2020,

Bestows upon first-time homebuyers (who have not owned a home in Maryland in the last 7 years) the ability to contribute up to \$5,000 per year tax-free (state taxes) a year, up to \$50,000 total. The money can be used for any down payment or closing costs listed on the settlement sheet. The accounts may only be created by the first-time buyer (does not allow a third-party like a parent to create an account for a child).

HB 1239/SB 859 - Department of Housing and Community Development - Appraisal Gap from Historic Redlining Financial Assistance Program - Establishment

STATUS: PASSED - Effective July 1, 2021

Directs the Department of Housing and Community Development (DHCD) to study whether there is discrimination in real estate financing, appraisals and community investments and report back to the Legislature.

The bill also creates a grant program for builders who build or remodel property in low income areas where the sales price of the home is unlikely to cover the cost of construction or rehabilitation. Qualified property (residential property: in a low-income census tract; in a state designated sustainable community; or with an affordable sales price) may qualify for financial assistance (most likely a grant - it prohibits loans) that does not exceed the lesser of 35% of the total cost of eligible construction expenses or 80% of the national median sale price for new homes.

HB 1328/SB 824 - Economic Development - Broadband Providers - Joint Trenching and Fee (Building Out Broadband Act of 2021) STATUS: PASSED - Effective July 1, 2021

Authorizes local counties to expedite infrastructure projects extending broadband, waive fees and engage in region wide efforts. (Does not apply to local governments in the Washington Suburban Sanitary Commission District). Requires state highway projects to permit joint trenching of broadband infrastructure when a road is opened up for unrelated construction. This section of the bill takes effect on January 1, 2022.

SB 787 - Digital Advertising Gross Revenues, Income, Sales and Use, and Tobacco Taxes - Alteration and Implementation

STATUS: PASSED - Effective Upon Signature of the Governor

Clarifies that certain professional instruction (like "Zoom" continuing education classes) are not subject to the Maryland sales tax imposed on digital products. Also, clarifies other

provisions of tax law, including that the digital advertising tax may not be passed down onto customer through a separate fee.

HB 19 - Residential Real Estate Transactions - Escrow Agents and Trust Money

STATUS: PASSED Effective October 1, 2021

Clarifies the definition of trust money under the law to ensure that only the earnest money held by escrow agent for the down payment is subject to the required disclosure and not other possible escrows (e.g., holding money to repair a window). The law further clarifies that the disclosure applies to residential property (including unimproved property zoned residential) and not commercial property.

HB 384/SB 474/ - Real Property - Sale of Mobile Home Parks - Notice Requirements

STATUS: PASSED Effective October 1, 2021 A mobile home park owner must notify the park residents of an impending sale of the entire mobile home park at least 30 days before the sale.

HB 399 - Real Property- Required Notice for Contracts of Sale - Zones of Dewatering Influence

STATUS: PASSED Effective October 1, 2021

Requires a notice to purchasers in Maryland real estate contracts that the property they are considering is located in a zone of dewatering influence. State zones of dewatering influence cover Baltimore, Carroll, Frederick, and Washington Counties. Zones of dewatering influence are susceptible to the formation of sinkholes and an owner of property in these areas is eligible for certain remedies under law. Additionally, a buyer may add additional insurance on the property to protect against potential damage. If the information is not provided in the contract, the buyer will have a 5 day period to rescind the contract and have the deposit money returned. Does not exempt commercial real estate contracts.

HB 560 - Human Relations - Discrimination in Housing - Reentry-into-Society Status

STATUS: NOT PASSED

Created a new protected class for individuals who have completed a court-ordered sentence of imprisonment. As drafted the bill conflicted with guidance issued by the United States Department of Housing and Urban Development (HUD) that limits a housing provider's consideration of an applicant's past criminal history but does not prohibit it.

HB 610 - Homeowner's Property Tax Credit - Eligibility of Surviving Family Member

STATUS: PASSED - Effective July 1, 2021

Requires a residential real estate contract to include a paragraph informing the buyer about the Homestead Tax Credit and a web address to information about it. The contract must state "If you plan to live in this home as your principal residence, you may qualify for the homestead property tax credit. The homestead property tax credit may significantly reduce the amount of property taxes you owe." The bill also requires an information brochure for the credit to be presented at the real estate settlement.

Also clarifies for purposes of the Homeowner's Tax Credit (different than the Homestead Tax Credit) that an eligible homeowner can include a surviving family member (related by blood, adoption, or marriage) as dictated by the terms of a will, trust, non-probate instrument of writing, or the laws of intestate succession. The Homeowner's Tax Credit is only available

for homeowners if their property is valued at \$300,000 or less and the homeowner's combined net worth is no more than \$200,000 and their income is no more than \$60,000.

HB 972 - Real Estate - Workgroup to Study Real Estate Trust Money Distribution
STATUS: NOT PASSED

Prohibited a seller from continuing to list a property if the seller did not return the deposit money of a previous purchaser when the transaction terminated before sale. This limitation would have been imposed regardless of whether the buyer was owed the deposit money or not. The House amended the bill to create a workgroup to study the timelier release of deposit money to purchasers.

HB 1095/SB 781 - Real Property - Residential Contract of Sale - Buyer Identification
STATUS: NOT PASSED

Authorized buyers to sign a real estate contract without their legal name. The intent of the bill was to mask the buyer's identity so that a seller would not be able to discriminate against the buyer based on assumptions made about the buyer's protected class status.

HB 1213 - Financial Institutions - Determination of Creditworthiness - Evaluation
Rules and Alternative Methods

STATUS: PASSED - Effective October 1, 2021. Directs lenders when considering whether to accept an application for a primary residential mortgage loan to include consideration of verifiable indications of creditworthiness, such as: history of rent or mortgage payments; history of utility payments; school attendance; work attendance; and other verifiable indications requested by the applicant. The bill would subject all loans to the federal requirements prohibiting discrimination in lending as well.

COMMON OWNERSHIP COMMUNITIES

HB 110/SB 144 - Electric Vehicle Recharging Equipment for Multifamily Units Act
STATUS: PASSED - Effective October 1, 2021

A Homeowner's Association or Condominium bylaw that unreasonably prohibits the installation or use of vehicle recharging equipment in a parking space designated for an owner is void and unenforceable. The unit owner bears the cost of installing and maintaining the equipment as well as the cost of the power.

HB 248 - Condominiums and Homeowners Associations - Rights and Restrictions -
Composting

STATUS: PASSED - Effective October 1, 2021

Clarifies that a recorded covenant or restriction (typical in a homeowner's association or condominium regime) may not unreasonably restrict a dwelling unit owner from contracting with a private entity to collect organic waste materials for composting.

HB 313 - Cooperative Housing Corporations, Condominiums, and Homeowners
Associations - Reserve Studies - Statewide

STATUS: NOT PASSED

Required reserve studies every 5 years for Common Ownership Communities.

HB 367 - Real Property - Regulation of Common Ownership Community Managers
STATUS: NOT PASSED

Created a State Board of Common Ownership Community Managers to regulate and oversee Common Ownership Communities. The legislation passed the House of Delegates but was never voted in the Senate.

HB 593/SB 535 - Condominiums and Homeowners Associations - Meeting Requirements

STATUS: PASSED - Effective October 1, 2021

Sets forth a specific process when a Board of Directors meeting is called by an HOA or Condominium and a quorum is not present. The bill permits another meeting to be called within 15 days of that meeting as long as proper notice is provided.

HB 1023/SB 686 - Real Property - Condominiums, Homeowners Associations, and Cooperative Housing Corporations - Virtual Meetings

STATUS: PASSED - Effective June 1, 2021. Notwithstanding the language in a Common Ownership Community's governing documents, a board of directors may permit certain technology to be used for virtual meetings as long as all residents may participate.

HB 1305 - Condominiums - Mandatory Insurance Coverage - Alterations

STATUS: NOT PASSED

Clarified that single-family, detached dwelling units organized under a condominium regime may provide insurance options like single-family detached housing under an HOA regime. Under current law, the condo association's insurance coverage covers most of the elements of an individual unit along with elements of the common areas. When the condo is an attached unit that shares walls, floors and ceilings with other units that may make sense. But for detached single-family units, the individual owner should be able to provide their own insurance like in all other single-family detached property sales. At least one Maryland County permits cottage cluster developments if they are developed under a condominium regime. This legislation helps with the marketing and sale of these properties allowing consumers to compare like costs for similar detached housing.

LAND-USE PROPERTY RIGHTS AND THE ENVIRONMENT

HB 322 - Real Property - Restrictions on Use - Low-impact Landscaping

STATUS: PASSED - Effective October 1, 2021

Prohibits the unreasonable restriction of low-impact landscaping such as rain gardens, habitat for wildlife and bees. Even a deed restriction, covenant, or other restriction (whether in a Common Ownership Community or not) may not prohibit such landscaping. The community may still set reasonable design and aesthetic guidelines, and an owner must maintain the property.

HB 407/SB 22 - On-Site Sewage Disposal Systems - Inspection - Licensing

STATUS: PASSED - Effective October 1, 2021 to establish the license

Requires a state license for a Wastewater Property Transfer Inspection. The license is required for inspections after July 1, 2022. The Maryland Department of the Environment will develop the program requirements and cost for the license.

HB 512/SB 528 - Coast Smart Siting and Design Criteria - Private Construction or Reconstruction Projects - Application

STATUS: NOT PASSED

Applies Coast Smart siting and design criteria to private projects that disturb more than an acre of land. These design criteria already apply to state buildings and can affect the placement and elevation of property on sites prone to flooding.

HB 583/SB 414 - Climate Solutions Now Act of 2021

STATUS: NOT PASSED

Created a number of requirements to reduce carbon emissions in Maryland. For the property sector, it required newly constructed commercial buildings to meet increasing energy usage reductions resulting in a net zero energy balance by 2033. It also required substantial commercial renovation projects to achieve significant reductions in energy usage.

HB 877/SB 764 — Workgroup on Adaptive Reuse of Vacant Commercial Spaces

STATUS: NOT PASSED

Created a workgroup to examine the reuse of vacant and underutilized commercial properties as mixed-use and residential properties.

PROPERTY MANAGEMENT

HB 18/SB 154 - Landlord and Tenant - Residential Tenants - Right to Counsel

STATUS: PASSED - Effective October 1, 2021

Provides access to counsel for tenants who earn not more than 50% of the median income. Tenants may seek counsel in three situations: eviction for nonpayment of rent; eviction for holding over; and eviction for breach of lease. The bill also requires a 10-day notice to be provided to a tenant before a landlord may file an eviction in court (prior law required 5 days to pass before a landlord could file). The notice will be developed by the Courts and may be delivered by mail, posting, or electronically (if the tenant agrees to electronic communication).

HB 50/SB 967 - Landlord and Tenant - Residential Leases - Tenant Rights and

Protections (Tenant Protection Act of 2021)

STATUS: NOT PASSED

Made several changes to landlord tenant law, including: extending additional protections to tenants who are victims of domestic violence and stalking; requiring notice if the landlord uses a ratio utility billings (RUBS) system; permitting tenants of apartment buildings free usage of a room for periodic tenant meetings; and when returning a security deposit or portion thereof, provide documentation to the tenant of costs when practicable.

HB 104/SB 401 - Landlord-Tenant - Nonrenewal of Lease-- Notice Requirements

STATUS: PASSED - Effective October 1, 2021

Extends from 30 days to 60 days the notice that must be given to a tenant when a landlord chooses not to renew a residential lease if the lease was for less than a year. The bill does not change the notice of 90 days for leases of a year or more and exempts small landlords (less than 5 units) from the extended 60-day period if the landlord is being foreclosed upon (the foreclosure exemption does not apply in Montgomery or Baltimore City where the local law already provided for a 60-day notice).

HB 239/ SB 73 - State Real Estate Commission - Property Managers - Registration
STATUS: NOT PASSED

Required many property managers to register with the Maryland Real Estate Commission and carry at least a \$100,000 surety bond to conduct real property management services. The legislation exempted certain activities as well as property managers who already hold a real estate license.

HB 861/SB 691 - Real Property - Landlord and Tenant - Reusable Tenant Screening Reports

STATUS: PASSED - Effective October 1, 2021

Provides that tenants may use "reusable" tenant screening reports if accepted by a landlord. If a landlord chooses to accept a "reusable" tenant screening report, the landlord may not charge a rental application fee. If a landlord chooses NOT to accept "reusable" tenant screening reports, the landlord must notify tenants that such reports are not accepted.

HB 1069 - Water Supply - Private Well Safety Program

STATUS: PASSED- Effective June 11, 2021

Provides that residential rental property that uses well water must test the well water every three years. If a well is contaminated, the landlord is given three choices: providing a potable water source; remediating the contamination; or providing the tenant with the ability to terminate the lease. Landlords who fail to test their well are subject to a fine up to \$1,000. The original bill would have established point-of-sale requirements for well testing, and a transfer tax increase to fund it.

SB 892 - Real Property - Residential Leases - Fee in lieu of Security Deposit

STATUS: Referred to Interim Study- Effective July 1, 2022

The bill did not pass but will be studied by legislative staff before the start of the next legislative session. As drafted, the bill permitted a tenant and landlord to agree to use a fee in-lieu instead of a security deposit.

COMMERCIAL

HB 719/SB 582 - Commercial Tenants - Personal Liability Clauses - Enforceability

STATUS: PASSED- Effective January 1, 2022

Specifies that a personal liability clause in a commercial lease (nonresidential) is unenforceable if the default occurred between March 23, 2020 and September 30, 2020, inclusive. The unenforceability extends only during the State of Emergency and for 180 days after the declared end of the emergency. Additionally, the tenant may stay the unenforceability only if the tenant was ordered to cease operations during that time or the business was not designated essential. Once the state of emergency is over along with the 180 day extension, a commercial landlord may once again seek enforcement of the personal liability clause.

MISCELLANEOUS

HB 1299 - Education - Public High Schools - Financial Literacy Curriculum and Graduation Requirement

STATUS: NOT PASSED

Required a half-semester course in financial literacy for every high school student as part of the graduation requirement.

**Information Source: Maryland Realtors,
Legislative Summary 2020
Legislative Summary 2021
MREC, May 2021 "Commission Check" Newsletter**

Message from Executive Director Michael L. Kasnic RENEW YOUR LICENSE ONLINE

The Maryland Real Estate Commission (MREC) strongly encourages all licensees to complete their required continuing education (CE), and to renew on time and online! When you log in to our system or if you look up your license in our public search database, your record may show a different expiration date than what is on your license. That is due to how the system is tracking those dates differently during the pandemic. Please note that you cannot renew your license until you are within 60 days of expiration. When within 60 days of expiration, you *must renew prior to making any changes* (transfers, active to inactive, etc.) to your license.

All licenses that were extended under the governor's executive order will expire on June 15, 2021. You must complete CE prior to renewing your license. Please renew prior to June 15th to avoid the reinstatement fee.

PAYMENT OF COMMISSIONS

In accordance with the Broker's Act, Title 17-322(b)(21), all commissions must be paid through the broker. *The Commission notes that payment through title companies or any other parties is not allowed.*

§17-322(b)(21) states:

Subject to the hearing provisions of §17-324 of this subtitle, the Commission may deny a license to any applicant, reprimand any licensee, or suspend or revoke a license if the applicant or licensee: for real estate brokerage services provided by an associate real estate broker or a real estate salesperson, accepts a commission or other valuable consideration from any person other than a real estate broker with whom the associate broker or the salesperson is affiliated.