



Maryland Real Estate Laws  
Taking Effect October 1, 2020  
Maryland REALTORS®

**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. The Maryland Financial Regulation Commission is preparing a disclosure form for this law. [CLICK HERE FOR PROPOSED FORM.](#)

**[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 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**

**STATUS: 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 30<sup>th</sup>, 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. These subsidies have helped Maryland Health Exchange policy rates decrease for three years in a row, including in 2020. For information about Maryland health exchange policies, including how to enroll, [CLICK HERE](#).