



REAL ESTATE LAWS
Taking effect October 1, 2018

AFFORDABLE HOUSING AND TAXES

HB 305/SB 158 – Homestead Property Tax Credit Program -- Eligibility Awareness
STATUS: PASSED – Effective October 1, 2018

Directs the State Department of Assessments and Taxation (SDAT) to identify homeowners who may be eligible for the Homestead Property Tax Credit Program and provide them information about how to apply with each assessment notice.

HB 923 – Environment – Water and Sewer Service
STATUS: PASSED – Effective October 1, 2018

Enables local governments and water authorities to create assistance programs (e.g. payment plans and donation plans) for individuals struggling to pay water and sewer bills. Authorizes the local government and the water utilities to disconnect service when a property is determined to be vacant or unfit for human habitation.

HB 1112/SB 951 – Tax Sales – Vacant and Abandoned Property
STATUS: PASSED – Effective October 1, 2018

Enables a local government to release any liens to certain vacant and abandoned property if the transferee can return the property to productive use within a “reasonable time.” Local governments may also withhold from tax sale certain property for redevelopment purposes if the property is vacant or unfit for habitation.

HB 1465/SB 952 – Tax Sales – Homeowner Protections
STATUS: PASSED – October 1, 2018

Authorizes local governments to withhold residential property from a tax sale if the taxes owed on the property are less than \$750. Currently the law for most counties only provides this authority for property which owes less than \$250. SB 952 also requires the local government to give the homeowner advice about where to access counseling to avoid tax sale and how to take advantage of state tax programs to minimize the amount of property tax payable on the property.

HB 1660 – Property Tax – Assessment Records of Real Property and Reassessment After Appeal

STATUS: PASSED – Effective October 1, 2018

If a court or appeals body reduces the property assessment, HB 1660 requires the State Department of Assessments and Taxation (SDAT) to describe in each property record why the reduction was ordered.

REAL ESTATE BROKERAGE AND CONTRACTS

HB 64 – Business Occupations – Real Estate Appraisers – Payment by Real Estate Appraisal Management Companies

STATUS: PASSED – Effective October 1, 2018

Requires an appraisal management company to pay an appraiser within 45 days after completion of a valuation. The law previously required payment within 60 days. The bill also permits an administrative sanction for violating this requirement.

HB 279 – Housing and Community Development – Homebuyer Education Requirements

STATUS: PASSED – Effective October 1, 2018

Provides additional flexibility for individuals who are required to take a homebuyer class as a requirement for financing. The bill permits loan recipients to take an on-line HUD-approved homebuyer education program for a loan associated with a HUD-approved product. The legislation would also allow a homebuyer education program certificate approved in one county to be used in another county.

HB 1257 – Residential Leases – Lease Option Agreements – Required Statements

STATUS: PASSED – Effective October 1, 2018

Clarifies that a person signing a lease option to purchase agreement is subject to an actual lease under Title 8 of the Real Property Article. The Maryland REALTOR® Lease Option Agreement has been updated to reflect the requirements of the new law.

HB 1481/SB 648 – Real Property – New Home Sales – Information on Energy-Efficient Options

STATUS: PASSED – Effective October 1, 2018

Requires a homebuilder of more than 10 homes to provide the purchaser with written information about any energy-efficient options and tax credits available for the property. The disclosure must occur prior to the execution of the contract.

HB 1482/SB 846 – State Real Estate Commission – Brokers – Business Succession in the Event of Disability

STATUS: PASSED – Effective October 1, 2018

Broadens the rules regarding business succession to brokers who are permanently disabled. Current law provides direction regarding the continuation of a brokerage after the death of the broker but had no corresponding language providing direction when a broker is disabled and unable to direct the company.

HB 1511 – Credit Regulation – Mortgage Brokers – Finder's Fee

STATUS: PASSED – Effective October 1, 2018

Establishes that a mortgage broker may still collect a fee if the broker provides a refinance to an existing client within 24 months of procuring the original loan. Previously, a broker was unable to collect a fee for that work.

SB 621 – Real Property – Deletion of Ownership Restrictions Based on Race, Religious Belief, or National Origin

STATUS: PASSED – Effective October 1, 2018

Creates an easier process to remove illegal covenants affecting race, religious belief or national origin from property records for community groups and homeowners. These covenants are already illegal, but many communities have trouble striking them from the land records. Directs Homeowners associations (HOAs) to remove these restrictive covenants from their governing documents by September 30, 2019. Exempts a restrictive covenant modification from the recording fee and court surcharge.

SB 755 – Credit Regulation – Escrow Accounts – Water and Sewer Facilities Assessments

STATUS: PASSED – Effective October 1, 2018

Authorizes lenders to create an escrow account for water and sewer fees associated with the property if requested by the borrower. Although authorized to establish an account, a lender is not required to create an account.

COMMON OWNERSHIP COMMUNITIES

HB 575 – Condominiums – Suspension of Use of Common Elements

STATUS: PASSED – Effective October 1, 2018

Authorizes the council of unit owners to “suspend the use of parking or recreational facility common elements by a unit owner that is more than 60 days delinquent in paying assessments.” To be effective, a council of unit owners must add this authority to their bylaws by a 60% vote of the unit owners.

PROPERTY MANAGEMENT

HB 1073/SB 468 – Landlord and Tenant – Residential Leases – Water and Sewer Bills

STATUS: PASSED – Effective October 1, 2018

Requires landlords of one to two dwelling units to provide to the tenant a copy of the water or sewer bill unless the tenant pays the bills directly to the utility providers. If the tenant pays the water and sewer fee directly to the landlord, the lease must state that the tenant is responsible for paying these fees.

SB 226 – Real Property – Wrongful Detainer and Distress Actions – Trial by Jury

STATUS: PASSED – Effective October 1, 2018

Clarifies that a jury trial may be requested for a wrongful detainer and distress of rent case if the case meets the “amount in controversy” requirement for jury trials.

COMMERCIAL

HB 1107 – Public Safety – Elevator Inspections – Testing and Apprenticeship Program
STATUS: PASSED – Effective October 1, 2018

Requires that a third-party elevator inspector be physically present to observe the testing of elevators. The requirement is phased in over a three-year period and directs the Department of Labor, Licensing and Regulation (DLLR) to administer an apprenticeship program for inspectors.

HB 1329/SB 1102 – Landlord and Tenant – Action for Repossession of Nonresidential Property – Service of Process

STATUS: PASSED – Effective October 1, 2018

Codifies a practice common in commercial real estate allowing private process servers to serve commercial tenants who fail to pay rent. This common practice had been called into question by some judges.

MISCELLANEOUS

HB 810/SB 728 – Public Safety – Battery Operated Smoke Alarms

STATUS: PASSED – Effective October 1, 2018

Prohibits the sale of a battery-operated smoke alarm unless it is a sealed, tamper resistant unit with long-life batteries. Authorizes WIFI connected smoke alarms linked to alarm systems and authorizes the Fire Marshall to designate other systems as compliant.