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MARYLAND REAL ESTATE LEGISLATIVE UPDATE 2024 - 2025



SUMMARY OF 2024 REAL ESTATE LEGISLATION

REAL ESTATE BROKERAGE, LICENSING AND CONTRACTS

HB 143/SB 46 Condominiums - Sales Contracts - Asbestos Disclosure

PASSED – Effective October 1, 2024 ***POSITION: Support***

A unit owner must provide a statement, no later than 15 days prior to closing, on their knowledge of the presence of asbestos in the unit and whether abatement has been performed during the occupancy of the owner.

HB 486/SB 125 Residential Property Sales - Contract Disclosures - Superfund Sites

PASSED – Effective October 1, 2024 ***POSITION: Support with Amendments***

Sellers of a property located within one mile of a National Priorities List (NPL) Superfund site shall include an addendum to the contract that includes information on NPL Superfund sites. Buyers may void the contract and refund money paid to the seller within 5 days.

R® HB 520/SB 461 State Real Estate Commission - Complaints - Advertising Violations

PASSED – Effective October 1, 2024 ***POSITION: Support***

Complaints filed with the commission alleging an advertising violation may be made anonymously and not under oath, but must be accompanied by documentary or other evidence.

R® HB 709/SB 462 Licensed Real Estate Brokers - Branch Offices

PASSED – Effective October 1, 2024 ***POSITION: Support***

This bill authorizes a licensed real estate broker to designate himself or herself as the manager of a branch office maintained by the licensed real estate broker.

HB 1308 Recordation of Instrument With False Information - Quiet Title

PASSED – Effective October 1, 2024 ***POSITION: Support as Amended***

This bill prohibits a person from recording a deed or other instrument knowingly containing false information, including information related to the ownership of the property.

HB 1408 Assignment of Contracts of Sale – Disclosure Requirements and Rescission

DID NOT PASS ***POSITION: Support***

This bill would have required those engaging in assignment of real estate contracts to make disclosures to both the seller and the buyer. Both parties would have a right to rescind the contract if the disclosure was not provided.

HB 1419 Deed Fraud - Prohibition and Prevention Grant Fund

DID NOT PASS

POSITION: Support with Amendments

Fines for intentional fraudulent transfer of property would have increased from \$1,000 to \$7,500, and a grant fund to provide legal assistance to victims of deed fraud and local law enforcement would have been created.

SB 423 Real Property - Recordation - Procedures

PASSED – Effective October 1, 2024

POSITION: No Position

Upon request, the treasurer, tax collector, or director of finance for a county will provide a certificate outlining any taxes, assessments, and charges due to the county against a property.

R® SB 542 Real Estate Brokers - Brokerage Agreements - Requirements

PASSED – Effective October 1, 2024

POSITION: Support

This bill requires that written brokerage agreements state the amount of compensation offered in terms of a percentage, dollar amount, or both; whether compensation will be sought from another party; and the process when the amount of compensation offered and received differs.

R® SB 564 Real Estate Brokers - License Renewals and Continuing Education

PASSED – Effective October 1, 2024

POSITION: Support

Real estate licensees will be required to submit continuing education classes 30 days prior to license expiration. Those submitted less than 30 days prior will be subject to additional fees. Continuing education provider submission times are restored to 14 days.

HOUSING

HB 3/SB 356 Expedited Development Review Processes for Affordable Housing

DID NOT PASS

POSITION: Support

Local governments would have been required to establish an expedited development review process for proposed affordable housing developments.

HB 7/SB 203 Housing Innovation Pilot Program and Housing Innovation Fund

PASSED – Effective July 1, 2024

POSITION: Support

This new program provides funding for the public housing authorities and county governments to increase the volume of housing production and incentivize innovative solutions to the problem of housing scarcity.

HB 131 Housing Development Permit Applications - Local Reporting Requirements

PASSED – Effective October 1, 2024

POSITION: Support

Each local jurisdiction with at least 150,000 residents must compile annual reports relating to housing permit applications received and considered in that locality.

HB 534/SB 90 Live Near Your School Program – Extension

PASSED – Effective July 1, 2024

POSITION: Support

This program, which provides current students and recent graduates with financial to buy homes near the school attended, is extended to September 30, 2030.

HB 538 Zoning Density and Permitting - Housing Expansion and Affordability Act

PASSED – Effective January 1, 2025 ***POSITION: Support as Amended***

Local jurisdictions will grant bonus densities and uses in specified zoning areas, which include those within 0.75 miles of rail transit, former state and U.S. military owned campuses, and lands owned by non-profits, in exchange for a certain percentage of those units being dedicated as affordable housing.

New manufactured homes and modular dwellings must be allowed in all single-family residential zones. The bill also prohibits a local jurisdiction from imposing unreasonable limitations or requirements on qualified projects or requiring review at more than a specified number of public hearings.

HB 599 Housing and Community Development Financing Act

PASSED – Effective July 1, 2024 ***POSITION: Support***

This bill establishes the Maryland Community Investment Corporation to apply for federal tax credits and make investments and financial assistance available to low-income communities.

HB 1203 Economic Development - Revolving Loan Program and Tax Increment Financing

PASSED – Effective October 1, 2024 ***POSITION: No Position***

A Revolving Loan Program is established to make loans for real estate and infrastructure projects in sustainable communities, priority funding areas, and for transit-oriented development.

SB 352 Apartment Building Height Allowances – Study and Alterations

DID NOT PASS ***POSITION: Support with Amendments***

Maryland Department of Labor would have been required to study and make recommendations on the maximum height restriction for an apartment building with a single-exit stairway.

FAIR HOUSING

HB 17/SB 274 Comprehensive Plans - Affirmatively Furthering Fair Housing

PASSED – Effective October 1, 2024 ***POSITION: Support with Amendments***

Charter counties, Baltimore City, and code counties that exercise land use powers are required to affirmatively further fair housing through their housing and urban development programs.

HB 241/SB 308 Housing and Community Development - Just Community Designation

PASSED – Effective July 1, 2024 ***POSITION: Monitor***

The Governor may designate an area as a Just Community if past and current trends in homeownership, property values, and property vacancy show a need for reinvestment in the area.

HB 285/SB 518 Task Force on Property Appraisal and Valuation Equity

PASSED – Effective June 1, 2024 ***POSITION: Support***

The termination date of the Task Force is extended from June 30, 2024, to December 31, 2024. The Task Force must submit its report by October 31, 2024.

HB 598/SB 413 Discrimination - Military Status - Prohibition

PASSED – Effective October 1, 2024 ***POSITION: Informational Testimony***

This bill prohibits discrimination in housing or employment based on an individual's "military status," which is defined as being a member of the uniformed services, a member of a reserve component of the U.S. Armed Forces, or a servicemember's dependent.

HB 873/SB 704 Appraisal Gap From Historic Redlining Financial Assistance Program

PASSED – Effective July 1, 2024 ***POSITION: Monitor***

Financial assistance under the program is expanded to owner-occupant purchasers upon completion of certain affordable housing projects.

HB 1000 Real Property - Residential Contracts of Sale - Buyer Privacy Rights

DID NOT PASS ***POSITION: Oppose***

This bill would have prohibited the name of an individual buyer from being included in a contract of sale until after the seller of the property had accepted the contract.

SB 666 Maryland Commission on Civil Rights - Monetary Relief

PASSED – Effective October 1, 2024 ***POSITION: No Position***

The Maryland Commission on Civil Rights (MCCR) may seek "monetary relief" for discriminatory acts, which is paid directly to the complainant instead of the state general fund.

SB 57/HB 392 Fair Housing Testing

DID NOT PASS ***POSITION: Support***

If passed, this bill would conform Maryland to the federal standard of one-party consent for audio and video recording if the purpose of that recording is to enforce fair housing laws.

TAX RATES AND CREDITS

HB 2 Property Taxes - Special Rate for Vacant and Abandoned Property

PASSED – Effective June 1, 2024 ***POSITION: Support with Amends (as SB 779)***

Local governments are authorized to set a special property tax rate for a lot or property cited on violation notice as vacant and unfit for habitation or other authorized use.

HB 16 Tax Sales - Homeowner Protection Program

PASSED – Effective July 1, 2024 ***POSITION: No Position***

SDAT will maintain a website for individuals to donate to the Homeowner Protection Plan. Local tax collectors will include with property tax bills an insert that encourages those donations.

HB 35/SB 276 Submission of Building Permits - Estimated Construction Cost

PASSED – Effective July 1, 2024 ***POSITION: Oppose as Introduced***

This bill requires county permit offices to include the estimated cost of construction when submitting a copy of a building permit to SDAT for property assessment.

HB 54 Property Tax - Transfer to Heir or Legatee - Payment Plans

PASSED – Effective July 1, 2024 ***POSITION: Monitor***

Localities are allowed to offer installment payment programs for taxes in arrears on any residential property. The requirement that all property taxes, assessments, and other charges due on a property be paid before a transfer is exempted if a payment plan is established.

HB 63/SB 6 Property Tax - Credit for Dwelling House of Disabled Veterans

PASSED – Effective June 1, 2024 ***POSITION: Support***

This allows local property tax credits for disabled veterans to include individuals who have a nonpermanent 100% service-connected disability from blindness or any other disabling cause that was not caused or incurred by misconduct.

HB 66 Property Tax - School Employees, Building Improvements, & Housing Programs

PASSED – Effective June 1, 2024 ***POSITION: Support***

Local governments may grant property tax credits for the primary dwelling of public school system employees; (2) for health and safety improvements to an apartment or condominium building; and buildings used for homeless individuals or families.

HB 154/SB 286 Homeowners' and Homestead Property Tax Credits - Extension

PASSED – Effective June 1, 2024 ***POSITION: Support***

Retroactive homestead property tax credits will be granted for two years to a homeowner who is at least 70 years old if the homeowner applies for the credit by May 31, 2025, and for one year if applying after that date.

HB 287/SB 342 Renters' Property Tax Relief Program - Assets Calculation

PASSED – Effective June 1, 2024 ***POSITION: Support***

The cash value of any qualified retirement savings plan or individual retirement accounts is excluded from asset calculations for the Renters' Property Tax Relief credit.

HB 638 State Transfer Tax – Rates and Distribution of Revenue

DID NOT PASS ***POSITION: Oppose***

This bill would have created a graduated statewide transfer tax ranging from 0.25%-1.5% for both residential and non-residential properties. Residential properties over \$500,000 would be assessed a higher rate than the current maximum.

HB 751 Sale of Residential Real Property - Offers to Purchase and Transfer Tax

DID NOT PASS ***POSITION: Oppose***

This bill would have imposed a 30-day lockout period for accepting an offer to purchase from large real estate investment companies (institutional investors) and would have imposed a 15% transfer tax on property sales to such companies.

HB 765/SB 321 Property Tax Credit for Hotel or Residential Development Projects

PASSED – Effective June 1, 2024 ***POSITION: Support***

Local governments may grant a credit against the property tax imposed on real property that is used for hotel improvements or residential development projects that include affordable housing.

HB 1007/SB 766 Fair Share for Maryland Act of 2024

DID NOT PASS

POSITION: Oppose

This bill would have lowered the estate tax exclusion from \$5 million to \$2 million, created additional income tax brackets for high earners, and subjected net capital gains and certain income from pass-through entities to additional taxes.

HB 1515 Sales and Use Tax - Rate Reduction and Services

DID NOT PASS

POSITION: Oppose

While lowering the state sales tax from 6% to 5%, this bill would have expanded the application of the sales tax to all professional services.

HB 1516 Assessments - Notice of Change in Value or Classification - Time Period

PASSED – Effective Upon Enactment

POSITION: No Position

This emergency legislation extends the deadline for SDAT to send reassessment notices to property owners for fiscal year 2025 to May 1, 2024.

SB 283 Homeowners' Property Tax Credit - Attestation of Gross Income

PASSED – Effective June 1, 2024

POSITION: Support

This allows applicants to submit a statement signed under penalties of perjury as to their income, provided they were not required by law to submit a tax return and did not file a tax return.

COMMON OWNERSHIP COMMUNITIES

HB 159/SB 465 Common Ownership Communities - Electric Vehicle Recharging

PASSED – Effective October 1, 2024

POSITION: Support

This bill prohibits condominiums and HOAs from enacting unreasonable prohibitions against the installation of electric vehicle recharging equipment by unit owners.

HB 280/SB 446 Local Condominium and Homeowners Associations Repair Funds

PASSED – Effective October 1, 2024

POSITION: Monitor

Counties and municipalities may establish a local fund for the purpose of repairing or rehabilitating infrastructure within Common Ownership Communities.

HB 273 Real Property - Regulation of Common Ownership Community Managers

DID NOT PASS

POSITION: Support

If passed, this bill would have created a state board within the Department of Labor to oversee the licensing of community managers.

HB 281/SB 1157 Funding of Reserve Accounts and Preparation of Funding Plans

DID NOT PASS

POSITION: Support

The timeframe for condominium and HOA communities to comply with existing reserve study requirements would have been extended from 3 years to 5 years, and additional flexibility to meet reserve requirements would have been granted.

HB 286 Task Force on Common Ownership Communities

DID NOT PASS

POSITION: Support with Amendments

This bill would have created a Task Force to study the education and training needs of common ownership community boards and new and prospective owners of homes and dwelling units in common ownership communities.

HB 309/SB 15 Cooperative Housing Corporations - Dispute Settlement

PASSED – Effective October 1, 2024

POSITION: No Position

The dispute process for Cooperatives is adjusted to extend the timeframe for members to correct violations from 10 to 15 days, grant members the right to request hearings, and written notice of violations and advance notice of hearing dates.

HB 783 Homeowners Associations - Restriction on Long-Term Rentals

DID NOT PASS

POSITION: Support

A homeowners association could not have restricted or prohibited the leasing of a property within the development to an individual who is not the lot owner.

HB 793 Common Ownership Communities - Member Training

DID NOT PASS

POSITION: Oppose

Board members and officers of an association would be required to complete a training course on their responsibilities within 90 days of assuming those roles and at least every 3 years thereafter.

HB 1035 Insufficient Condominium Reserve Account Grant Fund - Establishment

DID NOT PASS

POSITION: Support with Amendments

Low-income condominium owners would have access to a grant fund to pay increased assessments resulting from reserve account funding requirements.

HB 1187 Reserve Funding Assistance Program - Establishment

DID NOT PASS

POSITION: Support with Amendments

This program would provide funds to residents of common ownership communities to assist with the payment of increased assessments resulting from reserve studies.

HB 1227 Condominiums - Mandatory Insurance Coverage – Detached Units

PASSED – Effective October 1, 2024

POSITION: Support

This bill clarifies 2023's HB 98, which allows condominiums composed entirely of detached units to maintain insurance on the common elements only, like homeowners associations.

HB 1457 Common Ownership Communities - Ombudsman

DID NOT PASS

POSITION: Support

This would have created an Ombudsman Unit in the Office of the Attorney General to respond to complaints and established a database of governing documents accessible to the public.

SB 665 Maryland Condominium Act - Amendments to the Declaration

PASSED – Effective October 1, 2024

POSITION: Support

The threshold of unit owners required to amend a condominium's declaration is reduced from 80% to 66 2/3% once the developer has sold all units.

R® SB 898/HB 1039 Condominiums and Homeowners Associations - Resale Contracts

DID NOT PASS

POSITION: Support

If passed, this bill would have conformed timelines across the Condo and HOA acts, and would have limited resale packet and delivery fees to just those included in statute.

LAND USE, PROPERTY RIGHTS, AND THE ENVIRONMENT

HB 210 Maryland Building Standards – Fossil Fuel Use and Electric-Ready Standards

DID NOT PASS

POSITION: Oppose

All new buildings would be required to meet all energy demands without the use of fossil fuels by January 1, 2025.

HB 449/SB 148 Comprehensive Flood Management Grant Program - Funding

PASSED – Effective July 1, 2024

POSITION: Monitor

At least 40% of the comprehensive flood management grant program will be used for projects located in or directly benefiting underserved or overburdened communities.

HB 889/SB 695 Housing Units - Electric Vehicle Parking Spaces

DID NOT PASS

POSITION: Oppose

Both new residential buildings and existing housing units undergoing renovations would be required to include parking spaces and charging infrastructure for electric vehicles.

HB 992/SB 835 Environment - Delegated Authorities - Well and Septic Program Permits

PASSED – Effective June 1, 2024

POSITION: Support

Local health departments or county governments are required to submit a schedule of review times for well and septic program permits to the Department of the Environment for approval.

HB 1101/SB 653 Standing - Environmental Protection Proceedings

PASSED – Effective October 1, 2024

POSITION: Oppose

A person with standing may bring or intervene in a civil action against a party who has made unauthorized discharges into non-tidal wetlands or ephemeral and intermittent streams.

HB 1165/SB 969 Coastal Bays Restoration and Stream and Floodplain Restoration

PASSED – Funding Effective July 1, 2025 POSITION: No Position

The Whole Watershed Restoration Partnership will accelerate restoration of the Chesapeake and Atlantic Coastal Bays and their watersheds by funding projects shown to be cost-effective.

HB 1279/SB 1023 Better Buildings Act of 2024

DID NOT PASS

POSITION: Oppose

New buildings and significant improvements of buildings would meet all water and space heating demands without the use of fossil fuels, meet energy conservation requirements, and meet an electric- and solar-ready standard.

HB 1449 Board of Appeals Decisions or Zoning Actions – Judicial Review

DID NOT PASS

POSITION: Oppose

This bill would have broadened the ability of individuals and organizations to challenge land use and zoning decisions in court.

HB 1511 Forest Conservation Act – Modifications

PASSED – Effective July 1, 2024

POSITION: Monitor

This bill delays effective dates and adjusts implementation procedures for the 2023 Forest Conservation Act, while allowing forest mitigation banking provisions to go into effect in 2024.

HB 1512 Bay Restoration Fund - Municipal Wastewater Facilities

PASSED – Effective June 1, 2024

POSITION: Support

Bay Restoration Funds may continue to be used to connect properties to existing municipal wastewater facilities.

SB 1170/HB 940 Authorized Uses of Development Impact Fees

DID NOT PASS

POSITION: Oppose

Development impact fees could be used for additional purposes, including the replacement, maintenance, or expansion of public works, improvements, or public facilities.

PROPERTY MANAGEMENT

HB 93/SB 162 Termination of Residential Lease - Limitation of Liability for Rent

PASSED – Effective October 1, 2024

POSITION: Monitor

A tenant's liability may not exceed two months' rent if the tenant vacates the premises due to certain qualifying medical conditions certified in writing by a physician.

HB 139/SB 171 Notice of Utility Bills in Residential Leases - Gas and Electric Services

PASSED – Effective October 1, 2024

POSITION: Support with Amendments

The current notice requirements for tenant water and sewer charges paid to the landlord are expanded to also include gas and electric utilities unless the tenant directly pays the utility provider.

HB 428/SB 370 Rental Assistance for Community School Families Program and Fund

PASSED – Effective July 1, 2024

POSITION: Support with Amendments

This program will provide rental assistance to eligible student households within community schools that have designated concentrations of poverty and where residents are at risk of homelessness.

HB 477/SB 644 Residential Leases - Local Good Cause Termination Provisions

DID NOT PASS

POSITION: Oppose

Landlords would be required to renew a tenant's lease on a rental property unless certain conditions are met, or the tenant commits specified violations of the lease.

HB 498/SB 147 Access to Counsel in Evictions Program - Mandated Reports

PASSED – Effective October 1, 2024 ***POSITION: Support***

The Program must annually report on the number and types of cases handled, the number of individuals served, the case outcomes, and the cost and location of each case.

HB 693 Renters' Rights and Stabilization Act of 2024

PASSED – Effective October 1, 2024 ***POSITION: Support with Amendments***

This bill establishes an exclusive negotiation period for tenants to develop an offer to purchase their rental property of 1-3 units when it is listed for sale. Tenants will have 30 days from the landlord notice to submit a contract offer, with subsequent 5-day periods for counter offers. Exceptions to this process occur if a landlord subsequently contracts with a third party for a price 10% less than the tenant's offer, or, if an unsolicited offer to purchase is received, the tenant is given the opportunity to match it.

In addition, this bill increases court surcharges for eviction proceedings, which are recoverable from the tenant's security deposit for judgements in favor of the landlord. Security deposits are limited to 1 month's rent, and publication on tenant's rights will be included with the lease. Evictions of tenants will be stayed during the duration of an extreme weather event.

HB 964/SB 635 Residential Leases - Criminal History Review

DID NOT PASS ***POSITION: Oppose***

This bill would have reduced the length of criminal history on a tenant screening report from 7 years to 3 years. A tenant could not be required to disclose criminal convictions and landlords must state a specific reason for denial of a lease application.

HB 970 Real Property - Residential Leases - Rent Increase Prohibition

DID NOT PASS ***POSITION: Oppose***

A landlord could not increase a tenant's rent during a lease term if the landlord did not provide proper notification of an increase in rent.

HB 1114/SB 992 Failure to Pay Rent, Breach of Lease, and Tenant Holding Over

DID NOT PASS ***POSITION: Oppose***

Tenant would be given 10 days after the execution of a warrant of restitution to recover personal property from the landlord, who must make the tenant's personal property reasonably available and may not charge a fee for storage. Violations would be subject to actual damages, attorney's fees, and injunctive relief.

HB 1117 Landlord and Tenant - Failure to Repair Serious and Dangerous Defects

PASSED – Effective October 1, 2024 ***POSITION: Oppose***

Landlords are deemed to warrant that a rental dwelling unit is fit for human habitation. A court may order certain relief in a civil action or actions relating to the breach of warranty of habitability, including actual damages, abatement of rent, and lease termination. Tenant complaints made in bad faith can result in payment of costs and fees to the landlord.

HB 1295 Residential Rental Apartments - Air-Conditioning Requirements

DID NOT PASS

POSITION: Oppose

Landlord would be required to provide air-conditioning to rental units beginning June 1, 2024, for newly constructed residential rental units and beginning October 1, 2024, for residential rental units that undergo renovations.

HB 1316 Holding Over – Expedited Hearing for Active-Duty Service Member

DID NOT PASS

POSITION: Support

District Courts would be required to hold a hearing on a tenant holding over within 45 days if the landlord or the landlord's spouse is on active duty with the United States military and intends to occupy the property.

SB 19/HB 181 Failure to Pay Rent Proceedings - Shielding of Court Records

PASSED – Effective October 1, 2024

POSITION: Support with Amendments

Within 60 days after the final resolution of a failure to pay rent proceeding that did not result in a judgment of possession, the District County is required to shield from public inspection all related court records. The Judiciary will develop implementation procedures by August 1.

COMMERCIAL AND AFFILIATED INDUSTRIES

HB 36 Insurance - Protections After Loss or Damage to Property

PASSED – Effective October 1, 2024

POSITION: No Position

A public adjuster, or anyone acting on their behalf, may not solicit or attempt to solicit a client between the hours of 8:00 p.m. and 8:00 a.m., and cancellation periods for adjustment contracts are extended from 3 to 10 days.

HB 265/SB 336 Insurance - Producer Licensing Requirements - Education and Experience

PASSED – Effective October 1, 2024

POSITION: No Position

This bill repeals specified education and experience requirements for most applicants to obtain an insurance producer license from the Maryland Insurance Administration.

HB 382/SB 344 Criminal and Civil Trespass - Professional Land Surveyors

PASSED – Effective October 1, 2024

POSITION: Support

Professional land surveyors, and their agents and employees, who enter the property of another to practice land surveying are exempted from criminal trespass provisions.

HB 697/SB 1169 Real Estate Brokers – Commercial Transactions – Buyer's Rights

PASSED – Effective October 1, 2024

POSITION: Monitor

This bill extends the current right of a buyer to select a title company, settlement company, escrow agent or title attorney to commercial transactions.

HB 710/SB 559 Household Goods Movers – Special Fund and Fees

PASSED – Effective July 1, 2024

POSITION: No Position

This bill establishes the Household Goods Movers Registration Fund administered by the Maryland Department of Labor to cover the costs of regulating the industry.

HB 738/SB 806 Licensed Home Improvement Contractors - Liability Insurance

PASSED – Effective October 1, 2024 POSITION: No Position

Licensed home improvement contractors or applicants for a home improvement contractor license must maintain \$500,000 of general liability insurance.

SB 280 Notarial Acts - Protest Form Requirement – Repeal

PASSED – Effective July 1, 2024 POSITION: No Position

This bill repeals an obsolete requirement that a notary who makes or notes a protest of a negotiable instrument must make or note the protest on a specified form issued by the Comptroller.

SB 298 State Board of Electricians - Licensing – Penalties

PASSED – Effective October 1, 2024 POSITION: No Position

The State Board of Electricians may assess a civil penalty of up to \$5,000 for each violation of the licensing statute. The board must also submit a report on its practices and processes for the timely resolution of complaints filed against licensees by July 1.



HB 693 - Renters' Rights and Stabilization Act of 2024

Effective October 1, 2024

Tenant Right of First Offer/Refusal

HB 693 establishes three scenarios where a tenant is granted either an exclusive negotiation period or a right of first refusal to purchase their rental property from the landlord.

Scenario 1: Exclusive Negotiation Period (Pre-Listing):

1. The landlord will provide to the tenant a notice of solicitation of an offer of sale along with the material terms of the offer the landlord will consider.
2. The landlord will send a copy of the notice to the Office of Landlord and Tenant Affairs.
3. The tenant has 30 days to respond to the notice with an offer to purchase.
4. If the offer contains the same or more favorable terms than what the landlord provided in the notice, the landlord will accept the offer.
5. If the offer does not meet the material terms, the landlord will deliver a counteroffer.
6. The tenant then has 5 days to accept or reject the counteroffer.
7. If the tenant does not respond to the solicitation or the offer within 30 days or to a counteroffer within 5 days, the tenant's rights are extinguished.
8. The landlord notifies the Office of Landlord and Tenant Affairs whether the tenant exercised the rights offered under this process.

Scenario 2: Offer After Tenant Negotiations:

1. After following the procedures outlined in Scenario 1, the landlord and tenant fail to come to an agreement to purchase the property.
2. The landlord subsequently receives an offer to purchase the property at an amount that is at least 10% less than the lowest price previously offered to the tenant during a prior negotiation or offer period.
3. The landlord will provide a notice to the tenant and the Office of Landlord and Tenant Affairs of their right of first refusal.
4. The tenant has 30 days to deliver an offer at the same sales price as the third-party offer.
5. If the tenant delivers an offer at the same sales price, the landlord shall accept the offer.
6. The landlord notifies the Office of Landlord and Tenant Affairs whether the tenant exercised the rights offered under this process.

Scenario 3: Unsolicited Offer:

1. The landlord receives an unsolicited offer to purchase the property from a third party.
2. The landlord will provide a notice to the tenant and the Office of Landlord and Tenant Affairs of their right of first refusal.
3. The tenant has 30 days to deliver an offer at the same sales price as the third-party offer.
4. If the tenant delivers an offer at the same sales price, the landlord shall accept the offer.
5. The landlord notifies the Office of Landlord and Tenant Affairs whether the tenant exercised the rights offered under this process.

Exemptions:

This section does not apply to landlord transfers of property involving:

- Properties with 4 or more housing units.
- Transfer to a family member, including current/former spouses, children/stepchildren, siblings/stepsiblings, parents/stepparents, grandparents/step-grandparents, grandchildren/step-grandchildren, or in-laws/step-in-laws (children and parents).
- Transfer to a wholly owned business entity.
- Court-ordered transfers or settlements, including foreclosures and tax sales.
- Transfer by a fiduciary during the administration of an estate, guardianship, or conservatorship, or through an inheritance or trust.
- Transfers to a state or local government, a public housing authority or non-profit.

Other Considerations:

- Notice will be given through a form developed by the state and delivered by first-class mail with certificate of mailing or other delivery service with tracking information.
- The material terms of an offer may not include restrictions on financing methods or the right to conduct an inspection under the tenant right of first refusal.
- Rights of refusal or negotiation cannot be waived but tenant purchases are not required.
- If more than one tenant submits an offer, the landlord may select the most favorable offer.
- A tenant may still make a non-binding offer to purchase the property once listed to the public even after the expiration of their rights under this bill.
- Violations of any right of negotiation or right of refusal are subject to a \$1,000 fine.
- This preempts any local tenant's right of first refusal or opportunity to purchase law.

Security Deposits

Landlords may not charge a security deposit exceeding 1 month's rent. However, a landlord may charge up to 2 months rent if the tenant receives qualifying utility assistance and makes their utility payments directly to the landlord.

Evictions, Filing Fees, and Recoverability

HB 693 sets out several requirements:

- Court filing fees will increase to the following:
 - Circuit Court surcharge for civil cases from \$55 to \$85.
 - District Court summary ejectment surcharge from \$8 to \$43.
 - District Court tenant holding over, breach of lease and other civil filings from \$8-\$18 to \$28.
- The landlord may recover the filing fees from the tenant's security deposit if successful.
- There is a stay of eviction during extreme weather events affecting the rental property.
- A tenant has 7 days (up from 4) to comply with a judgement of repossession.
- The Judiciary shall report on eviction data each month to the Department of Housing and Community Development (DHCD), which will be available to the public.

Tenant Bill of Rights Publication

HB 693 requires DHCD to publish a Tenant's Bill of Rights. The most recent copy of this document will be provided to the tenant as part of the lease agreement.



SUMMARY OF 2025 REAL ESTATE LEGISLATION

REAL ESTATE BROKERAGE, LICENSING AND CONTRACTS

R[®] HB 124/SB 160 Assignment of Contracts of Sale – Disclosure and Rescission

PASSED – Effective October 1, 2025 POSITION: Support

A “wholesaler” must provide a disclosure to both the property seller and prospective buyer if a contract will be assigned. If the disclosure is not provided, the contract to purchase may be terminated without penalty prior to settlement.

R[®] HB 972/SB 680 Real Estate Commission - Continuing Education Requirements

PASSED – Effective October 1, 2025 POSITION: Support

Continuing Education requirements for licensees are adjusted as follows: Fair Housing hours are increased from 1.5 to 2.0; separate BRAD and BRAD-SD classes are combined; commercial practitioners are required to complete 2.0 hours of ADA compliance; broker supervision is reduced to 1.5 hours; and, the CE course approval process is standardized across all classes.

HB 482 Occupational Licensing - Criminal History Predetermination Review Process

VETOED POSITION: Support

Individuals may request an upfront review of their criminal history to determine whether they would be disqualified from obtaining an occupational license or certificate.

HB 606/SB 441 New Home Sales - Entry of Final Sale Price in Multiple Listing Service

DID NOT PASS POSITION: Support with Amendments

A developer, builder, broker, or real estate agent would be required to enter the final sale price of a new home into a multiple listing service.

HB 895/SB 279 Employment and Insurance Equality for Service Members Act

PASSED – Effective October 1, 2025 POSITION: Support

This bill extends state licensing and fee provisions currently offered to active-duty military and veterans to the National Oceanic and Atmospheric Administration and Public Health Service.

SB 815 Occupational Licensing and Certification - Criminal History Disclosure

DID NOT PASS POSITION: Oppose as Introduced

REALTORS[®] successfully amended this bill to remove real estate from the category of licenses where criminal history review would be limited and licenses could not be denied from issuance.

HOUSING SUPPLY AND AFFORDABILITY

R® SB 891/HB 1466 Land Use and Real Property - Accessory Dwelling Units

PASSED – Effective October 1, 2025 ***POSITION: Support***

Local governments will be required to enact ordinances allowing for the construction of Accessory Dwelling Units on single-family detached residential properties by October 2026.

R® SB 46 Wrongful Detainer - Time of Hearing and Service of Process

PASSED – Effective October 1, 2025 ***POSITION: Support***

This bill creates an expedited wrongful detainer process to assist with fraudulent possession of residential properties by squatters. Court hearings to return possession of properties to the owner must occur in no more than 10 days following the filing of the complaint.

R® HB 503/SB 430 Housing Development Act

DID NOT PASS ***POSITION: Support***

Introduced as the Housing for Jobs Act, this bill would have provided additional regulatory certainty for housing developers and calculated the housing gaps which exist in each locality.

HB 38 School Construction and Housing - Adequate Public Facilities Ordinances

DID NOT PASS ***POSITION: Support with Amendments***

Local governments could not delay housing developments for more than four years under Adequate Public Facilities Ordinances for school capacity.

HB 80/SB 190 Land Use - Transit-Oriented Development

DID NOT PASS ***POSITION: Support***

Approved transit-oriented developments would be exempted from certain local requirements, including parking, height restrictions or setbacks, and must allow mixed use development.

HB 249/SB 125 Local Limits on Summoning Law Enforcement or Emergency Services

PASSED – Effective July 1, 2025 ***POSITION: Support***

Local jurisdictions are currently prohibited from enacting laws limiting calls to emergency services. This bill clarifies that they are also prohibited from enforcing such ordinances that were previously passed.

HB 489/SB 436 Study on Single-Staircase Building Code Requirements

PASSED – Effective July 1, 2025 ***POSITION: Support***

The Maryland Department of Labor to study building code requirements for single-staircase buildings and make other recommendations to increase affordable housing options.

HB 1061 State-Owned Property - Inventory and Disposition - Housing

DID NOT PASS ***POSITION: Support with Amendments***

Each state agency would be required to report to the Department of Planning on excess property that would be suitable for redevelopment as housing, and set housing production goals for those properties.

HB 1193 Maryland Housing Data Transparency Act

PASSED – Effective July 1, 2025 ***POSITION: Support***

This bill requires counties with at least 150,000 residents to make quarterly reports to the Department of Planning outlining the number and type of residential building permits issued by that county, beginning on January 1, 2027. Smaller jurisdictions may submit this same information.

FAIR HOUSING

HB 13 Real Property - Residential Contracts of Sale - Buyer Privacy Rights

DID NOT PASS ***POSITION: Oppose***

This bill would prohibit the name of an individual buyer from being included in a contract of sale until after the seller of the property had accepted the contract.

HB 242 Discrimination in Housing - Consumer Credit History

WITHDRAWN ***POSITION: Oppose***

Adds consumer credit history as a protected class for housing and related services, preventing screening or qualifications based upon their credit history, creditworthiness or credit capacity.

HB 392/SB 107 Fair Housing Testing

DID NOT PASS ***POSITION: Support***

If passed, this bill would conform Maryland to the federal standard of one-party consent for audio and video recording if the purpose of that recording is to enforce fair housing laws.

HB 896/SB 677 Income-Based Housing Subsidies

DID NOT PASS ***POSITION: Oppose***

If using housing assistance to pay rent, a landlord could not have refused to rent based on the prospective tenant's income, credit score, lack of credit score, or adverse credit history.

HB 1239 Housing Discrimination - Regulations, Intent, and Discriminatory Effect

DID NOT PASS ***POSITION: Support***

This bill would have inserted federal standards on disparate impact evaluations and local requirements to affirmatively further Fair Housing into state law.

SB 484/HB 487 Unhoused Individuals - Rights, Civil Action, and Affirmative Defense

DID NOT PASS ***POSITION: Oppose***

This provided unhoused individuals certain rights relating to engaging in "life-sustaining activities," but would have intruded upon private property rights in some instances.

SB 514/HB 1077 Maryland Fair Chance Housing Act

DID NOT PASS ***POSITION: Oppose***

If passed, a landlord would have been restricted from using a prospective tenant's criminal history records in making a conditional offer to rent, and could only consider certain criminal history thereafter.

TAX RATES AND CREDITS

HB 23 Property Taxes - Special Rate for Commercial and Industrial Property

DID NOT PASS

POSITION: Oppose

Localities would be able to establish a subclass of commercial and industrial property and set special property tax rates for financing transportation or education needs.

HB 87/SB 132 Short-Term Rentals and Home Amenity Rentals - Regulation

DID NOT PASS

POSITION: Oppose

This bill would have applied hotel health and safety requirements to short-term rental units and home amenities, and allowed localities to define “high-intensity” usage of those rentals.

HB 342 State Transfer Tax – Rates and Distribution of Revenue

DID NOT PASS

POSITION: Oppose

A graduated tax rate structure for residential and nonresidential transactions would be imposed, resulting in over \$100 million in additional transfer taxes on real estate annually.

HB 390/SB 327 Affordable Housing Payment In Lieu of Taxes Expansion Act

PASSED – Effective June 1, 2025

POSITION: Monitor

Operators of rental housing developments may enter into payment in lieu of taxes with local governments for maintaining at least 25% of the units as affordable.

HB 641 State Property Tax - Transportation Funding Act of 2025

DID NOT PASS

POSITION: Oppose

The Governor would be required to submit a proposal for a State property tax to support transportation projects and programs each year.

HB 698/SB 814 Development Impact Fees, Surcharges, and Excise Taxes - Reporting

PASSED – Effective October 1, 2025

POSITION: Support

By July 1, each county must annually report to the Governor and the General Assembly information relating to the collection and expenditure of development impact fees, surcharges, or excise taxes over the prior year

HB 1428/SB 582 Sale of Residential Property - Taxes and Offers to Purchase

DID NOT PASS

POSITION: Oppose

This bill would have imposed excise taxes on properties owned by hedge funds, as well as a 30-day lockout period and 15% transfer tax on properties sold to investors.

HB 1014/SB 859 Fair Share for Maryland Act of 2025

DID NOT PASS

POSITION: Oppose

Among its many provisions, this act would have lowered estate tax thresholds from \$5 million to \$2 million and imposed additional taxes on pass-through entities.

HB 1554 Sales and Use Tax - Taxable Business Services

DID NOT PASS

POSITION: Oppose

While scaled back from the 2024 version, this bill would have imposed a 2.5% services tax on accounting, consulting, photography, advertising and financial services provided in the state.

SB 979 Short-Term Rentals - Tax Collection by Comptroller

PASSED – Effective July 1, 2027

POSITION: Support

Short-term rental platforms with at least 200 bookings or \$100,000 in revenue will collect and remit the applicable hotel occupancy tax to the Comptroller, which will then be distributed to the respective county where the rental is located.

COMMON OWNERSHIP COMMUNITIES

HB 292/SB 63 Funding of Reserve Accounts and Preparation of Funding Plans

PASSED – Effective October 1, 2025

POSITION: Support

This bill grants additional flexibility to meet required reserve funding requirements and creates a financial hardship process to alter approved reserve funding plans for up to 1 fiscal year.

HB 294/SB 71 Task Force on Common Ownership Communities

DID NOT PASS

POSITION: Support with Amendments

This bill would have created a Task Force to study the education and training needs of common ownership community boards and new and prospective owners in these communities.

HB 303 Regulation of Common Ownership Community Managers

DID NOT PASS

POSITION: Support

If passed, this bill would have created a state board within the Department of Labor to oversee the licensing of community managers.

HB 306/SB 866 Common Ownership Communities - Ombudsman

DID NOT PASS

POSITION: Support

This would have created an Ombudsman Unit in the Office of the Attorney General to respond to complaints and established a database of governing documents accessible to the public.

HB 1211 Common Ownership Communities - Online Publication of Resale Disclosures

DID NOT PASS

POSITION: Support

Associations would be required to publish all resale disclosures that are not specific to a particular unit on their webpage without cost to view or download.

HB 1411/SB 1011 Insufficient Condominium Reserve Account Grant Fund - Establishment

DID NOT PASS

POSITION: Support with Amendments

Low-income condominium owners would have access to a grant fund to pay increased assessments resulting from reserve account funding requirements.

PROPERTY MANAGEMENT

HB 273 Late Payment Penalties - Calculation

PASSED – Effective October 1, 2025 ***POSITION: No Position***

Landlords may charge a late penalty of 5% of the amount of the unpaid rent rather than of the total amount due.

HB 709/SB 651 Residential Leases - Local Good Cause Termination Provisions

DID NOT PASS ***POSITION: Oppose***

If enacted in the county, landlords would be required to renew a tenant's lease unless certain conditions are met or the tenant commits specified violations of the lease.

HB 767 Notice Procedures for Evictions

PASSED – Effective October 1, 2025 ***POSITION: Oppose as Introduced***

Landlords will provide notice to a tenant when a court has issued a warrant of restitution for a failure of a tenant to pay rent, a breach of lease, or a tenant holding over listing the initial date of eviction as set by the courts.

HB 1076 Landlord and Tenant - Notice of Landlord Entry

PASSED – Effective October 1, 2025 ***POSITION: Oppose as Introduced***

A landlord must provide written notice to the tenant at least 24 hours prior to planned entry into the unit, unless an emergency exists. A landlord may only enter between the hours of 7:00 a.m. and 7:00 p.m., Monday through Saturday, or as agreed to by the tenant.

HB 1152/SB 896 Pet Policy Disclosure (Pet Policy Transparency Act)

PASSED – Effective October 1, 2025 ***POSITION: Oppose as Introduced***

Landlords must provide the property's pet policy on the property's website and as part of an application form for a rental unit on the property.

SB 609/HB 817 Use of Algorithmic Device by Landlord to Determine Rent

DID NOT PASS ***POSITION: Oppose***

Landlord may not use algorithmic devices or software to determine the amount of rent to charge a residential tenant. Future use would violate the Maryland Consumer Protection Act.

SB 32 Expedited Hearing and Service of Summons for Active Duty Service Members

PASSED – Effective October 1, 2025 ***POSITION: Support***

The District Court shall hold a hearing on a tenant holding over within 45 days if the landlord or the landlord's spouse is on active duty with the United States military. The use of private service of process is also allowed if the summons is not delivered within 10 days.

SB 856 Maryland Tenant Mold Protection Act

PASSED – Effective July 1, 2025 ***POSITION: Oppose as Introduced***

This requires a landlord to provide the informational pamphlet on mold to each tenant at the time the lease is signed and at tenant request; perform a mold assessment within 15 days after notice; and remediate mold within 45 days after the assessment is completed, if possible.

LAND USE, PROPERTY RIGHTS, AND THE ENVIRONMENT

HB 4/SB 120 Restrictions on Use - Solar Collector Systems

PASSED – Effective October 1, 2025 ***POSITION: Support***

Restrictions that increase the cost of the installation of a solar collector system by more than 5% or reduce the energy generation by 10% are prohibited.

HB 49 Building Energy Performance Standards - Alterations and Analysis

PASSED – Effective October 1, 2025 ***POSITION: Oppose as Introduced***

Initially, this bill would have charged a fee for buildings that did not meet energy usage requirements. As amended, this bill certifies county building energy programs and excludes emissions from public health and safety facilities.

HB 212 Building Standards – Fossil Fuel Use and Electric-Ready Standards

DID NOT PASS ***POSITION: Oppose***

All new buildings would be required to meet all energy demands without the use of fossil fuels by January 1, 2026.

HB 671 On-Site Sewage Disposal Systems - Climate Vulnerable Areas

WITHDRAWN ***POSITION: Oppose***

This bill would have prohibited the installation of new on-site sewage disposal systems and limited the replacement of existing systems in climate vulnerable areas.

HB 747 On-Site Wastewater Systems - Requirements for Inspection and Pumping

DID NOT PASS ***POSITION: Oppose as Introduced***

This bill would have required septic inspections and pump outs for each rental property at change of tenancy and for all properties during a home sale.

HB 973/SB 804 Better Buildings Act of 2025

DID NOT PASS ***POSITION: Oppose***

New buildings and significant improvements of buildings would meet all water and space heating demands without the use of fossil fuels, meet energy conservation requirements, and meet an electric- and solar-ready standard.

SB 117/HB 131 Bay Restoration Fund - Septic System Upgrade Program

PASSED – Effective July 1, 2026 ***POSITION: Support***

This bill modifies the prioritization and eligibility for projects that receive funding from the Bay Restoration Fund's (BRF) septic account, adding failing systems in the broader Chesapeake Bay watershed and those in the 500-year floodplain.

COMMERCIAL AND AFFILIATED INDUSTRIES

HB 347/SB 150 Real Property – Recordation and Land Records – Requirements

PASSED – Effective October 1, 2025 ***POSITION: Monitor***

This bill makes technical changes to reflect electronic filing of documents, formatting of filings, and removes outdated references.

HB 1021 Real Estate Appraisers - Licensure and Certification

PASSED – Effective October 1, 2025 ***POSITION: Support***

This bill exempts applicants from needing to hold a bachelor's degree or higher to qualify for licensure as a real estate appraiser or certification as a residential real estate appraiser.

HB 1151 Residential Real Property Sales – Appraisals

DID NOT PASS

POSITION: Support with Amendments

Appraisers would have been required to consider information provided by buyers and sellers, and would have created a state process for reconsideration of appraised values for properties.

HB 1516/SB 1026 Maryland Secondary Market Stability Act of 2025

PASSED – Effective Upon Enactment ***POSITION: Support***

This bill clarifies the state licensing requirements for passive trusts and other financial services providers, maintaining the ability of mortgage loans to be securitized on the secondary market.

SB 218/HB 264 Professional Licenses - Suspension and Revocation for Workplace Fraud

WITHDRAWN

POSITION: Monitor

Certain state licensing authorities would be required to suspend or revoke licensees who are reported by the Commissioner of Labor to have committed workplace fraud.

SB 689/HB 1018 Conventional Home Mortgage Loans - Assumption and Disclosures

PASSED – Effective October 1, 2025 ***POSITION: Support with Amendments***

This bill requires banking institutions, credit unions, and mortgage lenders to include a provision in all conventional home mortgage loans that allows any of the existing borrowers to assume the mortgage in the event of a divorce. This applies to both new and existing mortgages.

FY 2026 STATE BUDGET

HB 352 Budget Reconciliation and Financing Act

PASSED – Effective Beginning June 1, 2025 ***POSITION: Oppose as Introduced***

The Budget Reconciliation and Financing Act was amended several times over the course of the session. REALTORS® had opposed measures to reduce the estate tax, discontinue opportunity zone credits, and eliminate itemization on state tax returns. The final version makes several changes:

- **Itemization:** Increasing the standard deduction by 20%, while gradually phasing out itemized deductions for those with adjusted gross incomes above \$200,000
- **Income Taxes:** Adds two new income tax brackets:
 - 6.25% for single filers of \$500,000-\$1 million and joint filers of \$600,000-\$1.2 million
 - 6.5% for single filers above \$1 million and joint filers above \$1.2 million
- **Capital Gains:** Establishes a 2% surcharge on net capital gains if adjusted gross income is above \$350,000. This does not apply to the gains from the sale of real property used as a primary residence sold for less than \$1.5 million.

- **Technology Taxes:** Imposes a 3% tax on data and IT services provided within Maryland, based upon federally defined categories, while excluding certain cloud computing, cyber security, and other emerging technology services.
- **Removal of Tax Exemptions:** Repeals current exemptions for sales of photography used in advertising, sales of coins or bullion over \$1,000, and vending machine sales.
- **Local Income Taxes:** Local governments are authorized to increase the local income tax rate from 3.2% to 3.3%.
- **New vehicle fees and taxes:** Includes increases to increase:
 - titling fees to \$200;
 - excise tax rates to 6.5%;
 - annual registration fees for passenger, truck, multipurpose and rental vehicles;
 - rental car taxes to 3.5%; and,
 - \$5 fee per tire purchased.