



Dear Zachary,

It is safe to say that the dust has finally settled after an extensive Legislative Session in Annapolis. Governor Moore has made his final decisions on which bills he will sign into law, and only a handful of vetoes were made. Fortunately, our Realtor® agenda was relatively successful this year!

We had some meaningful legislation that we worked through, stopped several harmful proposals, and managed to insert impactful changes to several other bills that will impact your business.

Below, we will break down what some of the most important things you should know about following this session. At the end there will also be a link to watch a webinar that Maryland Realtors® hosted, explaining some of the new changes.

If you have any questions about this session after reading, please reach out to **SMAR's Advocacy and Communications Director, Zach Hill.**



Realtor[®] Priorities

Realtor[®] Priorities:

Every year, the Maryland Realtors[®] Public Policy Committee develops proposals which can help improve our members' businesses and better serve our clients and communities. We were fortunate to see most of the legislative priorities that came from that committee this year passed! This included:

Branch Office Managers (HB 709) – This proposal came from a SMAR Past President, and is a relatively technical change which allows for brokers to supervise the same number of agents as a hired office manager.

Anonymous Advertising Violations (HB520) – This bill will now vest authority to the Maryland Real Estate Commission to investigate and seek disciplinary action regarding advertising complaints made anonymously to the commission.

Continuing Education Completion Timeline (SB564) – This bill will assist real estate schools by allowing them additional time to process completed continuing education courses. However, this now means that real estate agents will need to complete their mandatory CE courses and have them verified 30 days prior to their renewal, to avoid paying additional license fees.

Changes To Brokerage Agreements (SB542) – Some might think this bill came from a crystal ball, because it has been in the works long before the NAR Settlement came about. This bill clarifies in Maryland Law certain terms that must be met when completing a brokerage agreement, such as compensation terms, termination dates, a client's rights, and more. Talk to your broker if you have questions regarding buyer-brokerage agreements.

Additionally, be on the lookout soon for additional disclosures from Maryland Realtors® that were passed into law this year, which will now need to be a part of your contracts.



The Governor's Housing Plan:

Governor Wes Moore brought forth an extensive housing-forward agenda this session, and Realtors® were actively involved in providing feedback on those bills, and trying to help move the state in a positive direction on housing. While there were still several parts of these bill that we did not agree with, there were many other parts we were able to drastically improve. Below are some short documents which you can read to get a better understanding of the bills which will impact your business.

[Link to HB 538](#)

[Link to HB 693](#)





Legislation

Landlord-Tenant Legislation:

One other popular issue that comes up every year in some form is legislation that impacts property managers, landlords, and tenants. This year was no exception, and with the Governor taking aim with one of his priority bills to protect renters, there are several things you should be aware of.

Renters' Rights and Stabilization Act (HB693) – If you didn't read the short page from Maryland Realtors linked above, we would encourage you to do so now. Parts of this bill are going to impact how many people work with tenant-occupied properties. This bill creates three scenarios for a "first right of refusal" that will now be given to tenants 30 days prior to listing a home for sale (excluding the bills exemptions). This bill also raises eviction/court filing fees, alters laws on security deposits, and addresses the publication of a tenant's rights.

Limiting Liability For Rent - Mental Disorders (HB93) – This law expands current state law that limits a liability for rent in certain medical conditions, to now limit the liability of rent for someone who must move to seek additional care after diagnosis from a Maryland Board Licensed Psychologist.

We did manage to stop several bad bills that came forth that would have harmed Landlords and property managers.

Good/Just Cause Lease Terminations (HB477) – This is a returning bill from a previous year, however it progressed further this year. If a county chooses to enact this as a local ordinance, landlords would need to give an acceptable reason to non-renew a tenant's lease or terminate a holdover tenancy. It was heavily amended in the House to include additional "causes" for non-renewal, including those that mirror the federal "Good Cause" standard for Low Income Housing Tax Credit properties. An exemption has been added for landlords who own fewer than 5 rental properties in any county.

Some of the other bad bills we helped stop included **House Bill 970** which would have limited a landlords ability to raise rents, and **House Bill 1295** which would have required that rental properties provide air-conditioning that cools the property to certain temperatures throughout the year or face various repercussions.





Taxation:

The last topic we will touch on in this newsletter is the threat that our industry constantly faces due to taxation. This was not the most pleasant budget year for the Maryland General Assembly, and unfortunately for them, it doesn't look like they will be seeing any better years anytime soon. The Blueprint for Maryland's Future, a bill which was passed several years ago, has finally started to impact the state and counties in terms of mandated funding for education. This means that the state is facing a severe budget deficit over the next several years, unless they opt to cut services or raise taxes.

We managed to secure several wins for our industry and our clients against several bills which would have raised taxes this year. However, please keep in mind as you read about those proposals below, we must remain vigilant in our fight to protect the industry.

Sales Tax On Services (HB1515) – You likely heard something about this bill during the session this year, which would have reduced the sales tax in the state by 1%, however it would have expanded the sales tax to apply to all services in the state. This would have included real estate services, property management, electricians, plumbers, lawyers, accountants, and any other professional service. Fortunately, this bill died having never received a vote in committee, but we still expect it to come back next year.

“Fair Share For Maryland” Act (HB1007) – Contrary to the name, this bill would have increased the estate tax in most cases, would have adjusted how personal property sales are included in certain tax bases, and adjusted to increase the state income tax.

State Transfer Tax (HB638) and **Investor Transfer Tax (HB751)** – These bills both would have increased the state transfer tax on properties sold. HB638 would have drastically impacted properties over \$500,000 and would have increased exponentially as the price went up exponentially as the price went up.

Watch The Full Webinar Recap

Consider Investing In RPAC

If you have read about all this great work that SMAR and Maryland Realtors® do for you during the session and feel so inclined to help us continue fighting on behalf of your businesses and your clients, please consider making a voluntary contribution to RPAC.

Money is one of the necessary evils of politics, and unfortunately, we cannot continue doing this work without the support of our members. Just this one year, RPAC stopped tax increases that would have cost each of your businesses thousands of dollars annually. Please consider this while you consider making an investment in the future of the industry.

Invest In RPAC

If you have issues you believe are impeding your business that need to be addressed through the legislative process, or if you have ideas for real estate-related legislation, feel free to share those ideas with SMAR. Getting changes in motion all starts with an idea.

If you have any real estate specific questions about legislation or government affairs issues, contact Zach Hill at zach@somdrealtors.com.

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