



2009 Legislative Issues

1. **Foreclosure Law Changes:** MAR recommends two technical changes to the current foreclosure law. The first change would eliminate the tenant lease disclosure when the seller is leasing back his/her property only for a short period of time. When the foreclosure law was drafted, the lease disclosure was intended to protect sellers from predatory practices. However, that provision never exempted traditional, short-term lease-backs that help a seller bridge from the settlement of his/her home to the settlement of his/her purchase.

Secondly, the foreclosure law gives a seller the right to rescind a real estate contract within five days after signing the contract if the seller's mortgage is in default. However, the seller is not required to notify the buyer that the seller is in default. MAR believes the seller should be required to notify the buyer that the seller is in default in order to exercise the right of rescission.

2. **Brokerage Proposals:** MAR supports two bills requested by the Maryland Real Estate Commission. The first bill provides the first statutory guidance on how real estate teams may operate in Maryland. It requires all real estate teams to designate a team leader who has three year's experience as a licensee. In addition, each team would have to include the name of the team leader in advertisements, and disclose the business relationship between team members when a dual agency situation arises.

The second bill adds a statutory requirement that all brokers and managers take a broker supervisory course as part of the continuing education requirement. This proposal would increase the minimum CE requirement for brokers and managers (though MAR is recommending that the course be provided within the current 15-hour requirement for all course work). The Commission also proposes that all licensees take an agency course as part of the mandated course content.

3. **Conservation Easements:** MAR supports changing the conservation easement law to clarify that buyers have a rescission right based on the existence of a conservation easement on the property rather than based on whether disclosure occurred or not. The disclosure would also state a buyer's duty to notify an agency holding a conservation easement about the property transfer.
4. **Nonresident Real Estate Withholding:** MAR supports legislation that would set the rate of the nonresident real estate withholding percentage in state law. The current rate is not fixed and, instead, is calculated based on state and local income tax rates. Unfortunately, when those rates change, all of the real estate contracts must change. In the past year, real estate contracts have been revised twice due to changing income tax rates.

5. **Growth Policy:** MAR supports greater communication between state and local governments managing growth, but believes local governments should retain authority for local growth decisions.
6. **Real Estate Taxes:** MAR opposes new real estate taxes. Although the real estate industry generates about one-quarter of economic activity in the state, it generates about 45% of total County/City government revenues. Maryland ranks 13th among U.S. states in terms of absolute real estate tax levels.

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