

HOUSE BILL 697

C3

4r1763
CF 4r3406

By: **Delegate Griffith**

Introduced and read first time: January 25, 2024

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Real Estate Brokers – Commercial Transactions – Buyer’s Rights**

3 FOR the purpose of establishing certain requirements and prohibitions for commercial real
4 estate transactions related to a buyer’s right to make certain title, settlement, and
5 escrow selections; and generally relating to commercial real estate transactions and
6 buyer’s rights.

7 BY adding to

8 Article – Business Occupations and Professions

9 Section 17–524.1 and 17–607.1

10 Annotated Code of Maryland

11 (2018 Replacement Volume and 2023 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Business Occupations and Professions**

15 **17–524.1.**

16 **(A) (1) IN THIS SECTION, “COMMERCIAL REAL ESTATE” MEANS:**

17 **(I) REAL PROPERTY IMPROVED BY FIVE OR MORE**
18 **SINGLE–FAMILY UNITS;**

19 **(II) IMPROVED AND UNIMPROVED REAL PROPERTY ZONED FOR**
20 **COMMERCIAL, INDUSTRIAL, OR NONRESIDENTIAL USE BY THE LOCAL ZONING**
21 **AUTHORITY OF THE COUNTY OR MUNICIPALITY IN WHICH THE PROPERTY IS**
22 **LOCATED; OR**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (III) UNIMPROVED REAL PROPERTY ZONED FOR IMPROVEMENT
2 AS MULTIFAMILY UNITS BY THE LOCAL ZONING AUTHORITY OF THE COUNTY OR
3 MUNICIPALITY IN WHICH THE PROPERTY IS LOCATED.

4 (2) "COMMERCIAL REAL ESTATE" DOES NOT INCLUDE:

5 (I) PROPERTY ZONED FOR AGRICULTURAL USE; AND

6 (II) SINGLE-FAMILY UNITS, INCLUDING A CONDOMINIUM OR
7 CO-OP UNIT, FOR SALE OR FOR LEASE, OR OTHERWISE CONVEYED OR TO BE
8 CONVEYED ON A SINGLE BASIS.

9 (B) EACH REAL ESTATE CONTRACT SUBMITTED TO A PARTY BY A REAL
10 ESTATE BROKER, A NONRESIDENT REAL ESTATE BROKER, AN ASSOCIATE REAL
11 ESTATE BROKER, A REAL ESTATE SALESPERSON, OR A NONRESIDENT REAL ESTATE
12 SALESPERSON FOR USE IN THE SALE OF COMMERCIAL REAL ESTATE SHALL
13 CONTAIN, IN BOLD-FACED TYPE, A STATEMENT THAT THE BUYER HAS THE RIGHT TO
14 SELECT THE BUYER'S OWN:

15 (1) TITLE INSURANCE COMPANY;

16 (2) SETTLEMENT COMPANY;

17 (3) ESCROW COMPANY; OR

18 (4) TITLE LAWYER.

19 (C) THE STATEMENT REQUIRED UNDER SUBSECTION (B) OF THIS SECTION
20 SHALL ALSO CONTAIN, IN BOLD-FACED TYPE, A STATEMENT THAT A SELLER MAY
21 NOT BE PROHIBITED FROM OFFERING OWNER FINANCING AS A CONDITION OF
22 SETTLEMENT.

23 **17-607.1.**

24 (A) IN THIS SECTION, "COMMERCIAL REAL ESTATE" HAS THE MEANING
25 STATED IN § 17-524.1 OF THIS TITLE.

26 (B) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (C) OF THIS
27 SECTION, IN A REAL ESTATE TRANSACTION INVOLVING COMMERCIAL REAL ESTATE,
28 A REAL ESTATE BROKER, A NONRESIDENT REAL ESTATE BROKER, AN ASSOCIATE
29 REAL ESTATE BROKER, A REAL ESTATE SALESPERSON, A NONRESIDENT REAL

1 ESTATE SALESPERSON, OR A LAWYER ACTING AS A REAL ESTATE BROKER MAY NOT
2 REQUIRE A BUYER, AS A CONDITION OF SETTLEMENT, TO EMPLOY A PARTICULAR:

3 (1) TITLE INSURANCE COMPANY;

4 (2) SETTLEMENT COMPANY;

5 (3) ESCROW COMPANY; OR

6 (4) TITLE LAWYER.

7 (C) A SELLER MAY NOT BE PROHIBITED FROM OFFERING OWNER
8 FINANCING AS A CONDITION OF SETTLEMENT.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2024.