



**LEGISLATIVE POSITION:**

**Favorable**

**House Bill 697**

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

**Environment & Transportation Committee**

**Tuesday, February 20, 2024**

Dear Chairman Korman and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 6,800 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

House Bill 697 establishes requirements and prohibitions for commercial real estate transactions related to a buyer’s right to make certain title, settlement, and escrow selections.

Granting the buyer the right to select their own title, settlement or escrow company, or title lawyer promotes transparency and alignment of interests, and enables a more customized and efficient transaction process. The change sought in HB 697 would also match the current standards for buyer’s rights in residential real estate transactions.

States that allow buyers to select their own title company or service providers may gain a competitive advantage over those with more restrictive regulations. Businesses engaging in commercial real estate deals typically prioritize jurisdictions where they possess more autonomy and can bargain for favorable terms and pricing for services. Every commercial real estate transaction is unique, with its own set of complexities and requirements. Businesses are also more likely to invest in states where they can navigate transactions with confidence and ease.

A buyer in a commercial real estate transaction should have the freedom to choose their own title and settlement company, especially as it would bring more business to local title companies and small business, ultimately contributing to a more competitive market for title services in Maryland.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **favorable report on HB 697**.