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DEPUTY MAJORITY WHIP

Judicial Proceedings Committee

Executive Nominations Committee

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Administrative, Executive, and
Legislative Review

Children, Youth, and Families

Senate Chair, Legislative Ethics



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**Testimony for Senate Bill 441
Real Property -New Home Sales-
Entry of Final Sale Price in Multiple Listing Service
Before the Judicial Proceedings Committee
February 6, 2025**

Good afternoon, Chair Smith, and esteemed members of the Judicial Proceedings Committee,

In accordance with Chapter 654 of the 2022 legislative session, the Maryland Department of Housing and Community Development staffed the Task Force on Property Appraisal and Valuation Equity (the “Task Force”) was charged with addressing the persistent misevaluation and undervaluation of property owned by minorities.¹ The Task force completed its work this fall and made five recommendations to address its charge.²

Senate Bill 441 focuses on one of those recommendations which would “require [the] timely reporting on sales of new construction through the Multiple Listing Service or a comparable system. Senate Bill 441 does two things, it defines “Multiple Listing Service” and requires developers, builders, brokers, or real estate agents to enter the final sale price of a new home into a “Multiple Listing Service” or similarly accessible database within 30 days of its sale.

The Task Force noted that: “A critical component to ensuring the reconsideration of the value process is viable is a requirement that builders and developers of all newly constructed residential

¹ *Addressing the Persistent Misvaluation and Undervaluation of Property Owned by Minorities*, Task Force on Property Appraisal and Valuation Equity, (November, 20, 2024), page 4,

² Ibid, page 8. “Recommended approaches include the following: 1. Implement a procedure for reconsideration of value similar to the Tidewater Initiative, developed by the U.S. Department of Veterans Affairs; 2. Require a third-party review process in coordination with the state licensing board; 3. Require timely reporting on sales of new construction through the MLS or a comparable mechanism; 4. Require appraisers to consider both the sale comparison (market) approach and the cost approach in the final consideration of value; and 5. Require notification to homeowners of rights to present researched value data.”

properties enter comparable sales into a publicly accessible system, such as the MLS, within 30 days following the closing of escrow following MLS rules and regulations³ for reporting sales.”⁴

The Task Force asserted that “timely reporting of new construction sales will increase transparency in sales prices and help provide sufficient comp[arables] in neighborhoods that would otherwise have insufficient sales data to determine an appropriate opinion of value.”⁵

As Senate Bill 441 is one of a few recommendations noted to help address the persistent misevaluation and undervaluation of property, I request a favorable committee report.

³ Section 10.2 (Reporting of Sales) of the [MLSListings Rules & Regulations](#) states: “Listings with accepted offers shall be reported to the MLS or input into the MLS database by the listing broker as “contingent” or “pending” by the end of next day after the acceptance by the listing broker unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the buyer broker shall notify the listing broker of the “contingent” or “pending” status by the end of next day after acceptance, whereby the listing broker shall then report or input the status change to the MLS by the end of next day after receiving notice from the buyer broker. The listing shall be published on the MLS as “contingent” or “pending” with no price or terms prior to the final closing. Upon final closing, the listing broker shall report or input the listing in the MLS as “sold” and report the selling price by the end of the next day after the final closing date unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the buyer broker shall notify the listing broker of the “sold” status and selling price by the end of the next day after the final closing date, whereby the listing broker shall then report or input the status change and selling price to the MLS by the end of the next day after receiving notice from the buyer broker. Listings that were not input into the MLS as a result of the seller’s instructions may be input into the MLS “sold” data at the listing broker’s option.

If a listing is entered for comparable purposes only, then “For Comp Purposes Only” shall appear in the first line of confidential remarks. Additionally, an MLS may accept the reporting of sales information solely for comp purposes about other properties which were not otherwise eligible for input into the MLS but are located in the MLS’s primary geographic service area and “sold” by a MLS participant and/or subscriber who represented the underlying property owner (i.e. broker who represented the seller or broker who represented the buyer), as long as such reporting is authorized by the underlying property owner to the broker who represented it, (documentation of which must be presented to MLS, if requested by the MLS), and the circumstances of the representation are disclosed on the Service by the reporting participant or subscriber. Any discretionary submission of sales information must occur within 30 days after close of escrow.

For violation of this section, see Appendix A, Citable Infractions, 2.3, Status Changes Not Reported by Deadline and 4.3, Misuse of Confidential Remarks.”

⁴ Ibid, page 10.

⁵ Ibid, page 10.