

Sen Sydnor Fav Testimony for Senate Bill 441.pdf

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Position: FAV



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.

SB441 Fair and Unbiased appraisal Advocates

Uploaded by: Jacquelyn Priestly

Position: FAV

LEGISLATIVE POSITION:

Favorable

Senate Bill 0441

Real Property - New Home Sales - Entry of Final Sale Price in Multiple Listing Service

Judicial Proceedings Committee

Tuesday, February 4, 2024

Good Afternoon Chairman Smith, Vice-Chair Waldstreicher and members of the Judicial Proceedings Committee.

My name is Jacquelyn Priestly. I am a resident of Prince George's County and co-founder of the Fair and Unbiased Appraisal Advocates, a grassroots coalition of community leaders, realtors, elected officials and other concerned citizens working to bring fair and unbiased appraisal practices to Prince George's County and to communities everywhere. I also recently served as chair of the Maryland Task Force on Property Appraisal and Valuation Equity.

I'm writing to express my support for SB0441 Real Property New Home Sales - Entry of Final Sale Price in Multiple Listing Service.

In 2021, as the construction of my family's new home was nearly complete, my husband and I prepared to move from a construction loan to a 30-year term loan. During that process, we received appraisals that we felt did not accurately reflect the actual market value of our home. In fact, our appraisal came in significantly below our cost to build, while new homes in neighboring counties generally appraise over build cost.

At the same time, several of our neighbors and others in nearby communities faced similar challenges. Some were also in the process of converting their construction loans to permanent loans. Others had their homes listed for sale for years, and while there were buyers ready and able to pay the asking price, appraisals would come in well below. Additionally, this reality negatively impacted homeowners who planned to use their homes for business collateral as well as those who wanted to refinance their homes for better interest rates.

To help families nearby struggling to get appraisals that reflect true market value, my husband and I decided to have our home listed on the Bright Multiple Listing Service after we closed on the purchase to reflect our build cost. While the MLS is traditionally used as a marketing tool for real estate agents to promote properties for sale, we knew adding our sales information to the MLS would allow our home to serve as a "comp" to provide a more complete picture of real estate sales. This was important because new construction sales are not customarily listed publicly. However, in listing our sales transaction, the families I mentioned who were in disputes with lenders or struggling to get asking price for the sale of their homes could order new appraisals and use our transaction as a comp. As a result, these homeowners secured new appraisals that reported their homes at higher value. In

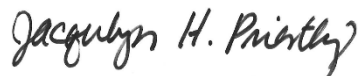
short, this approach worked. We were able to quickly correct inaccurate perceptions of value within our neighborhood and in nearby communities.

Additionally, as part of my work with the Maryland Task Force on Property Appraisal and Valuation Equity, we extensively examined the approach and impact of adding the final sale price of a new home into a multiple listing service or similarly accessible databases.

As noted in the Task Force report titled, Addressing the Persistent Misvaluation and Undervaluation of Property Owned by Minorities, as submitted to the Governor, and in accordance with § 2-1257 of the State Government Article, the General Assembly, on November 20, 2024, “The Task Force believes that timely reporting of new construction sales will increase transparency in sales prices and help provide sufficient comps in neighborhoods that would otherwise have insufficient sales data to determine an appropriate opinion of value.”

For these reasons, I urge the committee to issue a favorable report on Senate Bill 0441. Thank you for your time and consideration. I am happy to answer any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Jacquelyn H. Priestly". The signature is written in a cursive, flowing style.

Jacquelyn H. Priestly
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202-251-9703

SB441 Legislative Black Caucus of Md, Inc.

Uploaded by: Ufuoma Agarín

Position: FAV



LEGISLATIVE BLACK CAUCUS OF MARYLAND, INC.

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February 6, 2025

Chairman William C. Smith, Jr.
Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chairman Smith, Jr. and Members of the Committee,

The Legislative Black Caucus of Maryland strongly supports Senate Bill 441 (SB0441) – Real Property – New Home Sales – Entry of Final Sale Price in Multiple Listing Service. This bill promotes transparency in real estate transactions by requiring developers, builders, brokers, or real estate agents to enter the final sale price of new homes into a multiple listing service (MLS) or a similarly accessible database within 30 days of sale. **Senate Bill 441 is a 2025 Black Caucus legislative priority bill.**

Historically, Black homebuyers have faced systemic barriers to homeownership, including discriminatory lending practices and a lack of access to reliable market data. By ensuring that final sale prices of new homes are publicly recorded, this bill provides Black Marylanders with the information necessary to make informed purchasing decisions, reducing disparities in homeownership and wealth-building opportunities. Transparent and accessible pricing data helps prevent predatory practices, supports fair appraisals, and promotes equitable housing opportunities for all Marylanders.

Additionally, Black real estate professionals, including agents, brokers, and developers, will benefit from greater access to accurate market information. This levels the playing field for Black-owned businesses in the real estate sector and encourages economic growth within historically underserved communities.

By fostering transparency and equity in Maryland's housing market, Senate Bill 441 advances our commitment to addressing systemic disparities and ensuring fair access to homeownership opportunities.

For these reasons, the Legislative Black Caucus of Maryland strongly supports Senate Bill 441 and urges this committee vote in support of this legislation.

Legislative Black Caucus of Maryland

SB 441- Appraisal MLS - FWA - REALTORS.pdf

Uploaded by: Lisa May

Position: FWA



Senate Bill 441 – Real Property - New Home Sales - Entry of Final Sale Price in Multiple Listing Service

Position: Support with Amendments

Maryland REALTORS® supports efforts to increase information about home sales and values so that appraisers may make informed valuations of residential properties. That is why our organization strongly supported the creation of the Task Force on Property Appraisal and Valuation Equity and was proud to have REALTORS® among its membership.

While there will always be differences in value between properties due to many factors, it is critical that those factors do not relate to the race or other personal characteristics of the homeowners or residents of a community and are not due to incomplete or inaccurate data which undervalues certain communities. We agree with the Task Force that “timely reporting of new construction sales will increase transparency in sales prices and help provide sufficient comps in neighborhoods that would otherwise have insufficient sales data to determine an appropriate opinion of value.”

However, we must point out that Multiple Listing Services (MLSs) are subscription-based, for-profit entities. Bright MLS, which serves all of Maryland in addition to several other states, requires annual dues payments to access their information. They also pay dividends to their shareholders based upon their revenues, and in Maryland, those shareholders include local REALTOR® boards and associations.

Because of that profit motive, we suggest that the General Assembly find another avenue to capture this data, one that does not require one industry to pay for and use the services of another. This could be offered by an existing state agency to eliminate costs and profits from this effort.

With the above change, Maryland REALTORS® would offer support for Senate Bill 441.

**For more information contact lisa.may@mdrealtor.org
or christa.mcgee@mdrealtor.org**

MBIA Letter of Opposition SB441.pdf

Uploaded by: Lori Graf

Position: UNF

February 6, 2024

The Honorable William C. Smith Jr.
Chairman, Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: Letter of Opposition SB441 - Real Property - New Home Sales - Entry of Final Sale Price in Multiple Listing Service

Dear Chair Smith:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding Real Property - New Home Sales - Entry of Final Sale Price in Multiple Listing Service. MBIA **Opposes** the Act in its current version.

SB441 would require a developer, builder, broker, or real estate agent to enter the final sale price of a new home into a multiple listing service or similarly accessible database. The industry has serious concerns with this legislation, there seems to be a perception that what is currently recorded through SDAT is not sufficient for appraisals. For starters, MLS is a private, proprietary product that is owned by the Realtors. We have significant concerns with mandating a private product. Additional concerns below:

- All sold data is verified and on SDAT website.
- Builders do not have access to Bright MLS (the service that covers Maryland) or any MLS service. Builders and Developers would need to join the Service.
- Appraisers are often using settlements in the MLS for homes that did not reflect the change in the market over the building process that reflected higher pricing. Even the builder's own product. What settled today, likely went under contract 6+ months ago when pricing could be drastically different than today. Mandating MLS use will not account for the immediate adjustments for increased material costs, supply shortages, vendor limitations etc.
- MLS required listings would enforce an extra overlay of process and procedures on listings to comply with general brokerage. In turn, this would require additional staffing and overhead costs to meet standards required by MLS users, specifically with keeping up with the additional paperwork requirements from general brokerage.
- Bright MLS system is a tool built for predominantly general brokerage. The tool itself and its rules and regulations and data entry does not conform to the new home industry, leaving builders vulnerable to fines for listings not perfectly fitting into the general brokerage "norm".
- The appraiser is going to determine whether the new homes are comps for existing homes or not. Even if all the data is in MLS, it would still be up to the appraiser to determine if the new homes were comps or not based upon their own requirements.

For the reasons stated above we would strongly encourage a Un Favorable committee report.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Judicial Proceedings Committee