



House Bill 1456 - Consumer Protection - Residential Property Advertisement - Ownership Verification

Position: Oppose

Maryland REALTORS® supports efforts to combat real estate fraud and protect consumers from schemes in which individuals falsely advertise properties for sale or rent without the knowledge or authorization of the property owner. We appreciate the sponsor's intent in introducing House Bill 1456 to deter fraudulent property listings. However, the bill requires amendments to effectively target bad actors while avoiding unintended consequences for legitimate real estate advertising practices.

As drafted, the legislation does not explicitly confine its application to properties within the state. Many real estate advertising platforms operate nationally or globally and display listings from across the country. Without clarifying language, platforms operating in Maryland could potentially be required to verify ownership information for properties located in other states.

Second, the legislation should establish practical parameters around the verification requirement. In today's real estate marketplace, a single property listing typically originates with a licensed real estate broker or agent and is entered into a Multiple Listing Service (MLS). From there, the listing is automatically distributed through a network of brokerage websites, national real estate portals, and other digital marketing platforms. As a result, a single listing may appear across dozens of websites and applications. If each of these platforms were required to independently verify ownership or authorization before advertising the property, the process would become duplicative and operationally burdensome. This could lead some platforms to stop displaying residential listings altogether rather than assume the compliance risk.

Finally, while the legislation requires that ownership or authorization be verified, it does not specify what steps would satisfy that obligation. Without defined standards, real estate professionals and advertising platforms may face uncertainty about what actions are necessary to comply and avoid penalties. Establishing clear parameters would provide clarity and help ensure consistent compliance across the industry.

Maryland REALTORS® strongly supports the goal of preventing fraudulent real estate listings and protecting consumers, and we welcome continued discussions with the sponsor to determine how we can address these issues.

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