

Chapter 198

(House Bill 697)

AN ACT concerning

Real Estate Brokers – Commercial Transactions – Buyer’s Rights

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

BY adding to

Article – Business Occupations and Professions

Section 17–524.1 and 17–607.1

Annotated Code of Maryland

(2018 Replacement Volume and 2023 Supplement)

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

Article – Business Occupations and Professions**17–524.1.**

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

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

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

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

(2) “COMMERCIAL REAL ESTATE” DOES NOT INCLUDE:

(I) PROPERTY ZONED FOR AGRICULTURAL USE; AND

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

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

- (1) TITLE INSURANCE COMPANY;**
- (2) SETTLEMENT COMPANY;**
- (3) ESCROW COMPANY; OR**
- (4) TITLE LAWYER.**

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

17-607.1.

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

(B) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (C) OF THIS SECTION, IN A REAL ESTATE TRANSACTION INVOLVING COMMERCIAL REAL ESTATE, A REAL ESTATE BROKER, A NONRESIDENT REAL ESTATE BROKER, AN ASSOCIATE REAL ESTATE BROKER, A REAL ESTATE SALESPERSON, A NONRESIDENT REAL ESTATE SALESPERSON, OR A LAWYER ACTING AS A REAL ESTATE BROKER MAY NOT REQUIRE A BUYER, AS A CONDITION OF SETTLEMENT, TO EMPLOY A PARTICULAR:

- (1) TITLE INSURANCE COMPANY;**
- (2) SETTLEMENT COMPANY;**
- (3) ESCROW COMPANY; OR**

(4) TITLE LAWYER.

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

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

Approved by the Governor, April 25, 2024.