

During the 2023 session, the General Assembly enacted the following laws affecting home builders, which became effective October 1, 2023 unless otherwise noted:

- **Chapter 177 (HB 23)/Chapter 176 (SB 746) - Mobile and Manufactured Homes - Relocation Plans and Sales of Communities (Manufactured Housing Modernization Act of 2023):** This bill requires that an owner of a manufactured housing community containing two or more manufactured homes notify the homeowners of a pending sale of the community and its terms; offer homeowners the opportunity to purchase the manufactured housing community; and negotiate, in good faith, with homeowners seeking to purchase the manufactured housing community.
- **Chapter 180 (HB 92)/Chapter 181 (SB 193) - Ground Leases - Collection of Rent, Interest, Fees, and Other Expenses - Registration Requirements:** This bill first clarifies that a ground rent is not registered until the ground lease or any amendment is posted to the State Department of Assessment and Taxation (SDAT) online registry. A ground rent holder may not collect ground rents, fees, and interest if the ground lease is not registered with SDAT. If a ground rent holder impermissibly collects ground rents, fees, and interest while unregistered, this bill permits SDAT to void any ground lease registration after reviewing a complaint from a ground rent tenant, evidence presented, and any response by a ground lease holder. Any decision made by SDAT can be challenged de novo by the ground rent holder or ground rent tenant in Circuit Court.
- **Chapter 183 (HB 93)/Chapter 182 (SB 196) - Residential Ground Leases - Redemption and Extinguishment – Requirements:** This bill alters when a ground rent tenant seeking to extinguish a ground rent must submit to the State Department of Assessment and Taxation redemption fees and escrowed ground rent after an application. Under the bill, the ground rent tenant can submit payment of any escrowed ground rent and redemption fees at any time after the tenant submits an application. After SDAT has received the application, posted notice for at least 90 days, and has received the required fees, SDAT will issue a ground rent redemption certificate or a ground rent extinguishment certificate.
- **Chapter 184 (HB 118)/Chapter 185 (SB 194) - Ground Leases – Notices and Billing – Forms and Requirements:** This bill adds several protections to the ground rent statutes which promote redemption. First, the bill requires ground rent holders to mail ground rent bills to ground rent tenants at least 60 days prior to pursuing a collection action against the ground rent tenant. The bill provided by the ground rent holder must be in the form provided by the State Department of Assessment and Taxation (SDAT), and the ground rent holder cannot charge the tenant for the cost of mailing the bill. Second, the bill requires ground rent holders to notify ground rent tenants and the SDAT of any

transfer of the ground rent. Third, the bill limits to three years the amount of ground rent a tenant must hold in escrow for an unregistered ground rent. And, finally, the bill proclaims that it is the intent of the General Assembly and in the public interest for ground rents to be redeemed and that SDAT should assist in the redemption of ground rents through its ground rent redemption program.

- **Chapter 525 (SB 579) - Residential Property - Service Agreements – Prohibitions:** This bill limits certain “service agreements” entered into by a homeowner for maintenance or for the purchase or sale of real property to a one-year term, prohibits the “service agreements” from running with the land and binding successors in interest, and prohibits the “service agreement” from being recorded as a lien, or other encumbrance, to the real property. This bill also provides that a service agreement made in violation of the limits and prohibitions outlined in the article is an enumerated violation of the Consumer Protection Act. This bill became effective June 1, 2023.
- **Chapter 186 (HB 98) - Condominiums – Mandatory Insurance Coverage – Alterations:** This bill requires the council of unit owners in a condominium to carry property insurance on the unit and common elements for attached or multifamily units and for the common elements only if the unit is detached. For detached units the bill requires the owner to carry insurance on the entire unit.
- **Chapter 752 (SB 277) - Real Property - Sheriff's Sales - Procedures and Subordinate Interests:** This bill establishes that a sheriff's sale of real property extinguishes any subordinate liens or interests on the land being sold. This bill also adds to the enumerated interests not impacted by a sheriff's sale liens on land from a local government's judgment for maintenance or nuisance violations.
- **Chapter 216 (HB 844) - Housing and Community Development - Common Ownership Community Website:** This bill will require the Department of Housing and Community Development to establish and maintain a website that provides information on the rights and responsibilities of individuals living in common ownership communities (COCs).
- **Chapter 585 (SB 651) - The Anthony Moorman Act:** This bill requires the holder of trust money to distribute the trust money to a purchaser of real property within 30 days if the purchaser has canceled a contract of sale due to a contingency as identified in the contract that was not met. If, after notice from the purchaser, the holder of trust money receives a copy of a complaint filed in District Court or a notarized request for mediation from the seller, then the holder of trust money should retain the funds until a judgment is issued by the District Court or a mediation agreement is reached.