



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 2412

PRINTERS NO. 3643

PRIME SPONSOR: Polinchock

### COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
Commonwealth Funds	See "Fiscal Impact"	See "Fiscal Impact"
Political Subdivision Funds	See "Fiscal Impact"	See "Fiscal Impact"

**SUMMARY:** Amends the Administrative Code of 1929 (Code) to add a new Article relating to Emergency COVID-19 provisions regarding issuance of a waiver to the Governor's Business Closure Order for real estate activities. This legislation would take effect immediately.

**ANALYSIS:** This legislation amends the Code to add a new Article I-A relating to Emergency COVID-19 Provisions. Section 101-A of the Article relates to extension of waiver provisions, and requires the Secretary of Community and Economic Development immediately issue a waiver to the Governor's 20200319 TWW COVID-19 Business Closure Order for the following:

- All real estate activities of brokers, salespersons and licensees (as defined by the Real Estate Licensing and Registration Act) that involve:
  - Meetings by licensees, under the supervision of their brokers, with prospective home buyers and tenants, when necessary, at residences currently listed for sale in a public forum for the purposes of facilitating a sale of real estate. Meetings may include virtual walk-throughs where the licensees are alone and using a digital tool to relay the home details to the prospective buyers or tenants;
  - Designations by a broker of one essential, non-licensed employee to enter the brokerage for the purpose of collecting contracts, addenda, deposits, rent or other items necessary to facilitate real estate transactions; and
  - Entering, by licensees and an individual named as a party to the contract, of properties that are within 72 hours of settlement for the purposes of evaluating requested repairs negotiated between the parties to the contract.
- Activities of residential home inspection providers, including ancillary inspectors of wood infestation, radon levels, water contamination and on-lot sewage functionality, to enter, individually and separately, properties currently listed for sale by a broker, under the supervision of the broker.
- Activities of real estate professionals and video or virtual tour creators and other professionals serving the public need for real estate information, while obeying the Governor's order to enter a residence for which a broker has a signed contract to provide real estate service, including allowing for one-time collection of digital media under the broker's supervision.

- Activities of settlement service providers, working in conjunction with a broker, to designate essential employees for the purpose of executing mortgage documents, transferring deeds and other necessary documents in person that can adhere to the social distancing practices and other mitigation measures defined by the Centers for Disease Control and Prevention to protect workers and to mitigate the spread of the COVID-19 virus.
- Activities of legal services provided by attorneys at law, as long as those services are provided in a manner consistent with the Centers for Disease Control and Prevention's social distancing guidelines relating to the COVID-19 pandemic at the time the services are provided.
- Mitigation measures: any business that receives a waiver must adhere to applicable mitigation measures as defined by the Centers for Disease Control and the Department of Health to protect workers from and mitigate the spread of COVID-19.
- Other real estate actions: until Governor's March 6, 2020 proclamation of disaster emergency, and any renewal of the state of disaster emergency, is terminated or expires:
  - Municipal use and occupancy or code enforcement actions by a municipality under law shall be suspended, or conditionally granted, if the municipality has not made alternate provisions for facilitating the grant of a certificate of occupancy during the proclamation.
  - Taxing authorities and public utilities shall provide alternative means for residential home buyers or title insurers to ascertain the current status of tax payments or overdue utility obligations.

**Enforcement:** The State Real Estate Commission shall enforce compliance with provisions relating to the real estate activities of brokers, salespersons and licensees.

**FISCAL IMPACT:** The legislation would permit additional real estate transactions to occur under the proclamation of disaster emergency. To the extent additional transactions occur, the Commonwealth and its political subdivisions may realize additional revenues.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** April 28, 2020

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*