

WFG Underwriting Bulletin



To: All Maryland Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: June 27, 2019
Bulletin No. MD 2019-07
Subject: Maryland Legislative Update for 2019

This Bulletin includes some highlights of the 2019 Maryland legislative session as they pertain to real property transactions.

SB678 – Notarial Acts and Remote Notarization

This bill, which goes into effect on October 1, 2020, substantially rewrites Maryland’s laws as to the qualifications for serving as a Notary Public, and establishes procedures for remote online notarization (“RON”). RON allows the notary to use audio-visual technology using internet-based webcam technology to verify the signer’s identity. The notary’s physical presence relative to the person whose signature is being notarized is no longer required. Significant exceptions exist, however, and the specifics of RON will be addressed in a future Bulletin issued by WFG’s Maryland underwriting department.

SB484 – Tax Liens – Expiration

This bill, which is effective July 1, 2019, sets a 20-year expiration date, following the date of assessment, for most Maryland state tax liens. It also increases the effective time of inheritance tax liens from 4 years to 20 years. Please note that this law doesn’t apply retroactively, i.e., it only affects tax liens dated July 1, 2019 or later.

HB222 – Use of Escrow Agents for Real Estate Transactions

This bill is effective October 1, 2019. In the event that an escrow agent agrees to hold earnest money or down payments made by a purchaser of 1 to 4 single family dwelling units or unimproved real property zoned for residential use, the escrow agent must enter into an agreement with the purchaser and seller of the property which includes certain specific information. Please note that this law does not require escrow agents to hold buyer funds, and only comes into play if the purchase contract requests that the escrow agent hold the funds, and the escrow agent agrees to do so. Since there are various forms of “standard” real estate contracts provided by Realtor associations in Maryland, make sure to read the contract carefully as to the escrow agents’ obligations.

HB396 – Optional Installment Payment Schedule for Property Taxes

This bill is applicable to tax years beginning after June 30, 2019. It permits counties or municipal corporations to establish a voluntary installment payment schedule for property taxes for taxpayers whose property isn't subject to a deed of trust, mortgage, or any other encumbrance that requires the escrowing of property tax payments.

SB96 – Tax Sales of Water Liens in Baltimore City

This bill, which is effective on July 1, 2019, prevents Baltimore City from selling properties based upon liens for unpaid charges for water and sewer service, if the real property is owned by religious groups or organizations.

HB99/SB192 – Estates and Trusts – Elective Share of Surviving Spouse

This bill is effective on October 1, 2020. It provides that the first spouse to die should not be allowed to effectively disinherit the surviving spouse without his/her consent. It also provides that the surviving spouse shall be reasonably provided for during that spouse's lifetime. Before passage of this bill, retirement accounts, life insurance policies, assets held in a trust and jointly-owned property were not part of the probate estate which would be available to the surviving spouse. This legislation includes almost all assets of the deceased spouse in their "taxable estate", which can now be used to support the surviving spouse.

For additional information, please contact Ned Livornese, Maryland underwriter, at nlivornese@wfgnationaltitle.com, or at 443-286-5964. You may also contact John Micciche, Maryland agency manager, at jmicciche@wfgnationaltitle.com, or 410-913-1884.

NOTE: This Bulletin is for the sole purpose of establishing underwriting positions and policies reflecting WFG National Title Insurance Company's best business judgment. The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.

