

# HOUSE BILL 1288

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HB 558/01 – ECM

71r3170

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By: **Delegates Vaughn, Davis, Feldman, Hucker, Manno, Proctor, Ramirez, Ross, and Valderrama**

Introduced and read first time: February 23, 2007

Assigned to: Rules and Executive Nominations

Re-referred to: Economic Matters, March 5, 2007

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2007

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Real Estate Commission – ~~Home Builders and~~ Sales Agents for Home**  
3 **Builders – Licensure**

4 FOR the purpose of requiring individuals who sell any real estate ~~as home builders or~~  
5 as sales agents for home builders to be licensed by the State Real Estate  
6 Commission; altering a certain definition; and generally relating to ~~home~~  
7 ~~builders and~~ sales agents for home builders.

8 BY repealing and reenacting, without amendments,  
9 Article – Business Occupations and Professions  
10 Section 17–101(a), 17–207, and 17–322(b)(3), (4), (25), and (33) and (c)(1)  
11 through (3)  
12 Annotated Code of Maryland  
13 (2004 Replacement Volume and 2006 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Business Occupations and Professions  
16 Section 17–101(l) and 17–301  
17 Annotated Code of Maryland

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2004 Replacement Volume and 2006 Supplement)

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

4 **Article – Business Occupations and Professions**

5 17–101.

6 (a) In this title the following words have the meanings indicated.

7 (1) “Provide real estate brokerage services” means to engage in any of the  
8 following activities:

9 (1) for consideration, providing any of the following services for  
10 another person:

11 (i) selling, buying, exchanging, or leasing any real estate; [or]

12 **(II) SELLING ANY REAL ESTATE ~~AS A HOME BUILDER OR AS~~**  
13 **A SALES AGENT FOR A HOME BUILDER; OR**

14 [(ii)] **(III)** collecting rent for the use of any real estate;

15 (2) for consideration, assisting another person to locate or obtain for  
16 purchase or lease any residential real estate;

17 (3) engaging regularly in a business of dealing in real estate or leases  
18 or options on real estate;

19 (4) engaging in a business the primary purpose of which is promoting  
20 the sale of real estate through a listing in a publication issued primarily for the  
21 promotion of real estate sales;

22 (5) engaging in a business that subdivides land that is located in any  
23 state and sells the divided lots; or

24 (6) for consideration, serving as a consultant regarding any activity  
25 set forth in items (1) through (5) of this subsection.

26 17–207.

1 (a) To protect the interests of the public, the Commission shall adopt, by  
2 regulation, a code of ethics to set standards of conduct for all individuals licensed  
3 under this title.

4 (b) The Commission:

5 (1) at least once every 2 years, shall provide a copy of the code of ethics  
6 to each licensee; and

7 (2) on request of any person, shall make available a copy of the code of  
8 ethics to that person.

9 17-301.

10 (a) (1) Except as otherwise provided in this title, an individual shall be  
11 licensed by the Commission as a real estate broker before the individual may provide  
12 real estate brokerage services in the State.

13 (2) Except as otherwise provided in this title, an individual shall be  
14 licensed by the Commission as an associate real estate broker or a real estate  
15 salesperson before the individual, while acting on behalf of a real estate broker, may  
16 provide real estate brokerage services in the State.

17 (b) A license is not required for:

18 (1) a financial institution, as defined in Title 1 of the Financial  
19 Institutions Article, a subsidiary or affiliate of such a financial institution, or  
20 mortgage loan institution incorporated under the laws of any state or of the United  
21 States to manage, lease, or sell any property that the institution or subsidiary or  
22 affiliate of a financial institution acquires in connection with a mortgage foreclosure or  
23 deed or assignment in lieu of foreclosure;

24 (2) a lawyer who:

25 (i) is not engaged regularly in the business of providing real  
26 estate brokerage services; and

27 (ii) does not represent to the public, by use of a sign or  
28 advertisement or otherwise, that the lawyer is in the business of providing real estate  
29 brokerage services;



1 (iii) the good faith of the licensee; and

2 (iv) any history of previous violations by the licensee.

3 (3) The Commission shall pay any penalty collected under this  
4 subsection into the General Fund of the State.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 October 1, 2007.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.