

SENATE BILL 234

C2

11r0459
CF HB 357

By: **Chair, Education, Health, and Environmental Affairs Committee**

Introduced and read first time: January 27, 2011

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 2011

CHAPTER _____

1 AN ACT concerning

2 **State Real Estate Commission – Sunset Extension and Program Evaluation**

3 FOR the purpose of continuing the State Real Estate Commission in accordance with
4 the provisions of the Maryland Program Evaluation Act (sunset law) by
5 extending to a certain date the termination provisions relating to certain
6 statutory and regulatory authority of the Commission; requiring the
7 Commission to include certain information in its annual report to the Secretary
8 of Labor, Licensing, and Regulation; increasing the amount that a person may
9 recover for each claim against the Real Estate Guaranty Fund; requiring the
10 licensee to submit notice of the change, certain documentation, and a certain fee
11 to the Commission if the address of the affiliated brokerage of a licensed
12 associate real estate broker or a licensed real estate salesperson changes;
13 increasing a certain fee for collection of a dishonored check; requiring the
14 Commission to submit a certain report on or before a certain date; requiring the
15 Commission to submit a certain report jointly with the Office of Financial
16 Regulation on or before a certain date; and generally relating to the State Real
17 Estate Commission.

18 BY repealing and reenacting, with amendments,
19 Article – Business Occupations and Professions
20 Section 17–210, 17–404(b), 17–520, 17–521(a), and 17–702
21 Annotated Code of Maryland
22 (2010 Replacement Volume)

23 BY repealing and reenacting, without amendments,

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.



Article – State Government
Section 8–403(a)
Annotated Code of Maryland
(2009 Replacement Volume and 2010 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 8–403(b)(60)
Annotated Code of Maryland
(2009 Replacement Volume and 2010 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

17–210.

The Commission shall submit to the Secretary an annual report of the activities
of the Commission that includes:

- (1) a statement of the total receipts from license fees;
- (2) a statement of the total expenditures of the Commission;
- (3) the number of real estate broker licenses, associate real estate
broker licenses, and real estate salesperson licenses issued in each county;
- (4) the number of hearings held;
- (5) the number of complaints received;
- (6) the number of investigations made;
- (7) the number of applications for licenses denied;
- (8) the total number of licenses suspended or revoked;
- (9) the number of cases resolved within the schedule adopted under §
17–208(b) of this subtitle; [and]

**(10) THE NUMBER OF GUARANTY FUND AWARDS MADE THAT
REACH THE STATUTORY CAP AT THE TIME THE AWARD IS MADE, THE
CORRESPONDING AMOUNTS CLAIMED BY THE COMPLAINANT IN EACH CASE,
AND THE AMOUNT OF DAMAGES THAT WOULD HAVE BEEN REIMBURSABLE TO
THE COMPLAINANT IF THE STATUTORY CAP DID NOT EXIST; AND**

1 ~~[(10)] (11)~~ any other information that reflects the work of the
2 Commission.

3 17-404.

4 (b) The amount recovered for any claim against the Guaranty Fund may not
5 exceed ~~[\$25,000]~~ **\$50,000** for each claim.

6 17-520.

7 (a) Within the time set by the Commission, a real estate broker shall submit
8 to the Commission:

9 (1) written notice of any change in the address of the principal office of
10 the broker on the form that the Commission provides;

11 (2) the license certificate and pocket card of the broker; and

12 (3) a fee for issuance of a new license certificate and pocket card of \$5.

13 (b) On receipt of the notice, fee, license certificate, and pocket card, the
14 Commission shall issue a new license certificate and pocket card to the real estate
15 broker for the unexpired period of the broker's license.

16 (c) Within the time set by the Commission, a real estate broker shall submit
17 to the Commission:

18 (1) written notice of any change in the address of a branch office of the
19 broker on the form that the Commission provides;

20 (2) the branch office certificate; and

21 (3) a fee for the issuance of a new branch office certificate of \$5.

22 (d) On receipt of the notice, fee, and branch office certificate, the Commission
23 shall issue a new branch office certificate to the real estate broker for the unexpired
24 period of the branch office certificate.

25 (e) If a real estate broker changes the address of the principal office or a
26 branch office of the broker and fails to submit the required notice, the license of the
27 broker shall be suspended automatically until the broker submits the required notice.

28 **(F) IF THE ADDRESS OF THE AFFILIATED BROKERAGE OF A LICENSED**
29 **ASSOCIATE REAL ESTATE BROKER OR A LICENSED REAL ESTATE SALESPERSON**
30 **CHANGES, WITHIN THE TIME SET BY THE COMMISSION, THE LICENSEE SHALL**
31 **SUBMIT TO THE COMMISSION:**

(1) WRITTEN NOTICE OF ANY CHANGE IN THE ADDRESS OF THE
BROKERAGE;

(2) THE LICENSE CERTIFICATE AND POCKET CARD OF THE
LICENSEE; AND

(3) A FEE FOR THE ISSUANCE OF A NEW LICENSE CERTIFICATE
AND POCKET CARD OF \$5.

17-521.

(a) If a person tenders a check to the Commission in payment of a fee and the
check is dishonored, the person shall pay to the Commission an additional fee for cost
of collection of [\$25] **\$35** for each dishonored check.

17-702.

Subject to the evaluation and reestablishment provisions of the Maryland
Program Evaluation Act, this title and all regulations adopted under this title shall
terminate and be of no effect after July 1, [2012] **2022**.

Article – State Government

8-403.

(a) On or before December 15 of the 2nd year before the evaluation date of a
governmental activity or unit, the Legislative Policy Committee, based on a
preliminary evaluation, may waive as unnecessary the evaluation required under this
section.

(b) Except as otherwise provided in subsection (a) of this section, on or before
the evaluation date for the following governmental activities or units, an evaluation
shall be made of the following governmental activities or units and the statutes and
regulations that relate to the governmental activities or units:

(60) Real Estate Commission, State (§ 17-201 of the Business
Occupations and Professions Article: July 1, [2011] **2021**);

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1,
2012, the State Real Estate Commission shall report to the Senate Education, Health,
and Environmental Affairs Committee and the House Economic Matters Committee,
in accordance with § 2-1246 of the State Government Article, on:

(1) the implementation of recommendations of the Department of
Legislative Services contained in the sunset evaluation report dated October 2010;

(2) any types of consumer claims that are not currently eligible for restitution from the Real Estate Guaranty Fund, established under § 17-402 of the Business Occupations and Professions Article, that the Commission believes should be reimbursable under statute;

(3) if the Commission concludes that there is no need to expand the types of claims eligible for restitution, whether the Commission recommends reducing, suspending, or eliminating the Real Estate Guaranty Fund assessment; and

(4) the Commission's fiscal situation, including information on licensing trends and operating expenses.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before October 1, 2013, the State Real Estate Commission, jointly with the Office of Financial Regulation, shall report to the Senate Education, Health, and Environmental Affairs Committee, the Senate Finance Committee, and the House Economic Matters Committee, in accordance with § 2-1246 of the State Government Article, on:

(1) for each licensee, the number of foreclosures resulting from a real estate transaction in which the licensee participated;

(2) recommendations on how the Commission and the Office can incorporate a licensee's foreclosure statistics into the requirements for license renewal; and

(3) recommendations for legislation regulating licensee activity to reduce the number of property foreclosures.

~~SECTION 3.~~ SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2011.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.