

# SENATE BILL 285

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By: **Chair, Education, Health, and Environmental Affairs Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Introduced and read first time: January 31, 2011

Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 4, 2011

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

1 AN ACT concerning

2 **State Real Estate Commission – Reinstatement of Licenses and Inactive**  
3 **Status**

4 FOR the purpose of altering the time periods within which a licensee must reinstate a  
5 license that has expired and reactivate a license that has been placed on  
6 inactive status; requiring certain licensees to comply with certain continuing  
7 education requirements as a condition of licensure renewal; and generally  
8 relating to the State Real Estate Commission.

9 BY repealing and reenacting, with amendments,  
10 Article – Business Occupations and Professions  
11 Section 17–314 and 17–316  
12 Annotated Code of Maryland  
13 (2010 Replacement Volume)

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

16 **Article – Business Occupations and Professions**

17 17–314.

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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 (a) Except as provided in subsection (c) of this section, unless a real estate  
2 broker license is renewed for a 2-year term as provided in this section, the license  
3 expires on the first March 1 that comes:

4 (1) after the effective date of the license; and

5 (2) in an even-numbered year.

6 (b) Except as provided in subsection (c) of this section, unless an associate  
7 real estate broker or real estate salesperson license is renewed for a 2-year term as  
8 provided in this section, the license expires on the first April 30 that comes:

9 (1) after the effective date of the license; and

10 (2) in an even-numbered year.

11 (c) The Secretary may determine that licenses issued under this title shall  
12 expire on a staggered basis.

13 (d) (1) At least 1 month before a license expires, the Commission shall  
14 mail to the licensee, as provided in paragraph (2) of this subsection:

15 (i) a renewal application form; and

16 (ii) a notice that states:

17 1. the date on which the current license expires;

18 2. the date by which the Commission must receive the  
19 renewal application for the renewal to be issued and mailed before the license expires;  
20 and

21 3. the amount of the renewal fee.

22 (2) (i) If the licensee is a real estate broker, the Commission shall  
23 mail the renewal application form and notice to the principal office of the broker.

24 (ii) If the licensee is an associate real estate broker or a real  
25 estate salesperson, the Commission shall mail the renewal application form and notice  
26 to the principal office of the real estate broker with whom the licensee is affiliated.

27 (e) Before a license expires, the licensee periodically may renew it for an  
28 additional 2-year term, if the licensee:

29 (1) otherwise is entitled to be licensed;

30 (2) pays to the Commission a renewal fee set by the Commission;

1           (3)     submits to the Commission a renewal application on the form that  
2 the Commission provides;

3           (4)     submits to the Commission the original certificate of completion  
4 verifying that the licensee has complied with the continuing education requirements  
5 under § 17–315 of this subtitle;

6           (5)     notifies the Commission of the name of each real estate broker  
7 with whom the licensee then is affiliated; and

8           (6)     for the renewal of a real estate broker license:

9                   (i)     submits to the Commission, by a credit reporting agency  
10 approved by the Commission, a credit report that contains the information required by  
11 the Commission; or

12                   (ii)    pays to the Commission or the Commission's designee a  
13 credit report fee in an amount not to exceed the cost charged by a credit reporting  
14 agency approved by the Commission to obtain a credit report that contains the  
15 information required by the Commission for renewal of a real estate broker license.

16           (f)     The Commission shall renew the license of and issue a renewal certificate  
17 and pocket card to each licensee who meets the requirements of this section.

18           (g)     The Commission shall reinstate the license of a licensee under this title  
19 whose license has expired if the licensee:

20                   (1)     applies to the Commission for reinstatement within [4] 3 years  
21 after the license expires;

22                   (2)     meets the requirement of good character and reputation;

23                   (3)     complies with the applicable continuing education requirement for  
24 the period during which the individual was not licensed; and

25                   (4)     pays to the Commission a reinstatement fee set by the  
26 Commission.

27 17–316.

28           (a)     (1)     The Commission shall place the license of a real estate broker on  
29 inactive status if the real estate broker:

30                   (i)     requests that the license of the broker be placed on inactive  
31 status; and

1 (ii) surrenders the license certificate and pocket card of the  
2 broker to the Commission.

3 (2) The Commission shall place the license of an associate real estate  
4 broker or a real estate salesperson on inactive status if:

5 (i) the associate broker or salesperson no longer is affiliated  
6 with the licensed real estate broker whose firm is named in the license certificate of  
7 the associate broker or salesperson; or

8 (ii) the associate broker or salesperson:

9 1. requests that the license of the associate broker or  
10 salesperson be placed on inactive status; and

11 2. surrenders the license certificate and pocket card of  
12 the associate broker or salesperson to the Commission.

13 (b) (1) A licensee whose license is on inactive status may not provide real  
14 estate brokerage services through that license.

15 (2) The placement of a license on inactive status does not affect the  
16 power of the Commission to suspend or revoke the license or to take any other  
17 disciplinary action against the licensee.

18 (c) Unless a license on inactive status is reactivated, the license expires **[4] 3**  
19 years after the date it is placed on inactive status.

20 (d) (1) Subject to paragraph (2) of this subsection, a licensee whose license  
21 is on inactive status remains responsible for renewing the license as required under §  
22 17-314 of this subtitle.

23 (2) Subject to the **[4-year] 3-YEAR** limitation under subsection (c) of  
24 this section, a licensee may renew a license while it is on inactive status ~~without~~  
25 ~~complying~~ **IF THE LICENSEE COMPLIES** with the continuing education requirements  
26 of § 17-315 of this subtitle.

27 (e) (1) The Commission shall reactivate the license of a real estate broker  
28 that is on inactive status and reissue a license certificate and pocket card to the broker  
29 if the broker:

30 (i) requests that the license be reactivated;

31 (ii) pays to the Commission a reissuance fee set by the  
32 Commission; and

1 (iii) meets the continuing education requirements that would  
2 have been required for renewal of a license under § 17-315 of this subtitle if the  
3 license had not been on inactive status.

4 (2) The Commission shall reactivate the license of an associate real  
5 estate broker or a real estate salesperson that is on inactive status and reissue a  
6 license certificate and pocket card to the associate broker or salesperson if the  
7 associate broker or salesperson:

8 (i) requests that the license be reactivated;

9 (ii) pays to the Commission a reissuance fee set by the  
10 Commission;

11 (iii) meets the continuing education requirements that would  
12 have been required for renewal of a license under § 17-315 of this subtitle if the  
13 license had not been on inactive status; and

14 (iv) submits to the Commission adequate evidence that the  
15 associate broker or salesperson has obtained, from a licensed real estate broker, a  
16 commitment providing that the associate broker or salesperson shall become affiliated  
17 with the broker as an associate real estate broker or a real estate salesperson on  
18 reactivation of the license of the associate broker or salesperson.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 October 1, 2011.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.