

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

Senate Bill 610 (Senator Pinsky, *et al.*)

Education, Health, and Environmental Affairs

Economic Matters

Real Estate Brokers and Salespersons - Continuing Education - Requirements

This bill requires each licensee of the State Real Estate Commission to take at least 15 clock hours of continuing education in order to qualify for license renewal by repealing a reduced requirement for specified licenses. The bill also requires that, every two years instead of every four years, (1) each licensee must complete a 3-clock-hour course on the principles of agency and agency disclosure and (2) each broker licensee and each licensee designated as a branch office manager or team leader must complete a 3-clock-hour course on the requirements of broker supervision.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law/Background: Generally, each individual licensed by the State Real Estate Commission as an associate real estate broker, real estate broker, or real estate salesperson must complete 15 clock hours of continuing education every two years in order to qualify for license renewal. However, a licensee who possesses a graduate degree in either law or real estate from an accredited institution and is not designated as a branch office manager or team leader only has to complete 7.5 clock hours every two years.

Licenses must be renewed every two years. Generally, a licensee required to complete 15 hours per renewal must complete at least:

- every two years, a 3-clock-hour course that outlines relevant changes that have occurred in federal, State, or local laws and regulations, court cases, and industry trends that have an impact on those laws and regulations, or any combination thereof;
- every two years, a 1.5-clock-hour course that outlines federal, State, and local fair housing laws and regulations;
- every two years, a 3-clock-hour ethics course that includes the Maryland Code of Ethics and a discussion of the practices of flipping and predatory lending; and
- every four years, a 3-clock-hour course on the principles of agency and agency disclosure.

In addition, a real estate broker and licensee designated as a branch office manager or a team leader must complete a 3-clock-hour course on the requirements of broker supervision every four years.

A licensee who must complete 7.5 clock hours per renewal must alternate between the second (laws and regulations) and fourth (agency and agency disclosure) requirement.

Licenses sanctioned by the State Real Estate Commission for failure to comply with continuing education requirements following renewal of their licenses are fined \$1,500 and must pay a \$100 reinstatement fee. The fine revenues are applied to the general fund, while the reinstatement fee is credited to the State Real Estate Commission Fund. The Department of Labor, Licensing, and Regulation advises that about 10 licenses are sanctioned each year.

Additional Information

Prior Introductions: None.

Cross File: HB 1056 (Delegate Vaughn, *et al.*) - Economic Matters.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

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min/mcr

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