HOUSE BILL 1656

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8lr3184 CF SB 843

By: **Delegates Arentz, Cluster, Hornberger, Mautz, and McDonough** Introduced and read first time: February 9, 2018 Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 State Real Estate Commission – Real Estate Guaranty Fund – Fund Transfer

- FOR the purpose of authorizing the State Real Estate Commission to transfer up to a
 certain amount of money to the Real Estate Guaranty Fund from the State Real
 Estate Commission Fund under certain circumstances; and generally relating to a
 fund transfer from the State Real Estate Commission Fund to the Real Estate
 Guaranty Fund.
- 8 BY repealing and reenacting, without amendments,
- 9 Article Business Occupations and Professions
- 10 Section 17–101(a), (d), and (e) and 17–402
- 11 Annotated Code of Maryland
- 12 (2010 Replacement Volume and 2017 Supplement)
- 13 BY repealing and reenacting, with amendments,
- 14 Article Business Occupations and Professions
- 15 Section 17–403
- 16 Annotated Code of Maryland
- 17 (2010 Replacement Volume and 2017 Supplement)
- 18 BY repealing and reenacting, without amendments,
- 19 Article Business Regulation
- 20 Section 2–106.3
- 21 Annotated Code of Maryland
- 22 (2015 Replacement Volume and 2017 Supplement)
- 23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 24 That the Laws of Maryland read as follows:
- 25

Article – Business Occupations and Professions

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



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1	17–101.		
2	(a)	In this title the following words have the meanings indicated.	
3	(d)	"Commission" means the State Real Estate Commission.	
4 5	(e) Commission	"Guaranty Fund" means a real estate guaranty fund established by the under § 17–402 of this title.	
6	17–402.		
7	(a)	The Commission shall:	
8		(1) establish a Real Estate Guaranty Fund; and	
9		(2) maintain the Guaranty Fund at a level of at least \$250,000.	
10 11	(b) Guaranty F	(1) The Commission shall deposit all money collected to the credit of the und with the State Treasurer for placement into a special account.	
$\begin{array}{c} 12\\ 13 \end{array}$	Guaranty F	(2) (i) The State Treasurer may invest or reinvest money in the und in the same manner as money in the State Retirement and Pension System.	
14		(ii) The investment earnings shall be:	
15		1. credited to the Guaranty Fund; and	
$\begin{array}{c} 16 \\ 17 \end{array}$	into the Gu	2. available for the same purposes as the money deposited aranty Fund.	
18 19	(c) Fund.	The Commission may adopt regulations for the administration of a Guaranty	
20	17–403.		
21 22 23 24	(a) (1) Subject to paragraph (2) of this subsection, before the Commission issues a real estate broker license, an associate real estate broker license, or a real estate salesperson license to any individual, the individual shall pay a fee of \$20 to be credited to the Guaranty Fund.		
$25 \\ 26 \\ 27$		(2) Regardless of how many times an individual applies to the Commission e under this title, the Commission only may charge the individual once for the under this subsection.	
$\frac{28}{29}$			

\$500,000 IN THE CURRENT FISCAL YEAR, THE COMMISSION MAY TRANSFER UP TO

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\$500,000 TO THE GUARANTY FUND FROM THE STATE REAL ESTATE COMMISSION FUND ESTABLISHED UNDER § 2–106.3 OF THE BUSINESS REGULATION ARTICLE.

3 [(b)] (C) If the amount in the Guaranty Fund falls below \$250,000, the 4 Commission shall assess each real estate broker, each associate real estate broker, and 5 each real estate salesperson a fee in an amount that will return the Guaranty Fund to a 6 level of at least \$250,000.

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Article – Business Regulation

- 8 2-106.3.
- 9 (a) (1) In this section the following words have the meanings indicated.
- 10 (2) "Commission" means the State Real Estate Commission.
- 11 (3) "Fund" means the State Real Estate Commission Fund.
- 12 (b) (1) There is a State Real Estate Commission Fund in the Department.
- 13 (2) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of 14 the State Finance and Procurement Article.
- 15 (c) The Fund consists of fees collected by the Commission and distributed to the 16 Fund under § 17–213 of the Business Occupations and Professions Article.
- 17 (d) The Fund shall be used to cover the actual documented direct and indirect 18 costs of fulfilling the statutory and regulatory duties of the Commission.
- 19 (e) The Secretary or a designee of the Secretary shall administer the Fund.
- 20 (f) The Legislative Auditor shall audit the accounts and transactions of the Fund 21 as provided in § 2–1220 of the State Government Article.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 23 October 1, 2018.