

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1482
Economic Matters

(Delegate Arentz, *et al.*)
Education, Health, and Environmental Affairs

State Real Estate Commission – Brokers – Business Succession in the Event of
Disability

This bill allows a family member of a disabled real estate broker to temporarily carry on the broker's business for purposes of closing and terminating the business. The bill applies to a total and permanent disability that renders a broker unable to perform real estate brokerage services. The authorization is incorporated into existing provisions that allow a family member to temporarily carry on the business of a deceased real estate broker for the same purposes.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Subject to specified requirements, on the death of a licensed real estate broker, any adult member of the deceased broker's family may carry on the business of the deceased broker under the broker's license for up to six months for the purposes of closing and terminating the business. Before the end of the initial six-month period, the individual may qualify for the deceased broker's license if the individual has been continuously licensed as a real estate salesperson for the immediately preceding three years, passes the real estate broker's examination, and meets other specified criteria. An individual who is reissued the deceased broker's license may hold the license for up to four years from the

time of reissuance without meeting the educational requirements for a real estate broker license. However, if the family member wishes to renew the real estate broker license after four years, he or she must fulfill the educational requirements prior to renewal. Otherwise, the license expires after four years.

Background: Generally, an individual must be licensed by the State Real Estate Commission as a real estate broker before the individual may provide real estate brokerage services in the State. Similarly, an individual must be licensed by the commission as an associate real estate broker or a real estate salesperson before the individual, while acting on behalf of a real estate broker, may provide real estate brokerage services in the State. The commission has approximately 44,000 licensees.

Small Business Effect: Although the bill applies in a limited number of circumstances, in the cases where it does, small real estate brokerage businesses benefit significantly from the ability to continue operating.

Additional Information

Prior Introductions: None.

Cross File: SB 846 (Senator Conway, *et al.*) - Education, Health, and Environmental Affairs.

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

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