

Chapter 76

(House Bill 1656)

AN ACT concerning

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.

BY repealing and reenacting, without amendments,
Article – Business Occupations and Professions
Section 17–101(a), (d), and (e) and 17–402
Annotated Code of Maryland
(2010 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – Business Occupations and Professions
Section 17–403
Annotated Code of Maryland
(2010 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, without amendments,
Article – Business Regulation
Section 2–106.3
Annotated Code of Maryland
(2015 Replacement Volume and 2017 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

17–101.

(a) In this title the following words have the meanings indicated.

(d) “Commission” means the State Real Estate Commission.

(e) “Guaranty Fund” means a real estate guaranty fund established by the Commission under § 17–402 of this title.

17–402.

(a) The Commission shall:

- (1) establish a Real Estate Guaranty Fund; and
- (2) maintain the Guaranty Fund at a level of at least \$250,000.

(b) (1) The Commission shall deposit all money collected to the credit of the Guaranty Fund with the State Treasurer for placement into a special account.

(2) (i) The State Treasurer may invest or reinvest money in the Guaranty Fund in the same manner as money in the State Retirement and Pension System.

(ii) The investment earnings shall be:

1. credited to the Guaranty Fund; and
2. available for the same purposes as the money deposited into the Guaranty Fund.

(c) The Commission may adopt regulations for the administration of a Guaranty Fund.

17-403.

(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.

(2) Regardless of how many times an individual applies to the Commission for a license under this title, the Commission only may charge the individual once for the fee required under this subsection.

(B) IF THE AMOUNT IN THE GUARANTY FUND FALLS BELOW \$300,000, AND THE COMMISSION IS PROJECTED TO HAVE AN OPERATING SURPLUS OF AT LEAST \$500,000 IN THE CURRENT FISCAL YEAR, THE COMMISSION MAY TRANSFER UP TO \$500,000 TO THE GUARANTY FUND FROM THE STATE REAL ESTATE COMMISSION FUND ESTABLISHED UNDER § 2-106.3 OF THE BUSINESS REGULATION ARTICLE.

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

Article – Business Regulation

2–106.3.

(a) (1) In this section the following words have the meanings indicated.

(2) “Commission” means the State Real Estate Commission.

(3) “Fund” means the State Real Estate Commission Fund.

(b) (1) There is a State Real Estate Commission Fund in the Department.

(2) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(c) The Fund consists of fees collected by the Commission and distributed to the Fund under § 17–213 of the Business Occupations and Professions Article.

(d) The Fund shall be used to cover the actual documented direct and indirect costs of fulfilling the statutory and regulatory duties of the Commission.

(e) The Secretary or a designee of the Secretary shall administer the Fund.

(f) The Legislative Auditor shall audit the accounts and transactions of the Fund as provided in § 2–1220 of the State Government Article.

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

Approved by the Governor, April 10, 2018.