

# SENATE BILL 425

C3

2lr2048  
CF HB 568

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By: **Senator Reilly**

Introduced and read first time: January 26, 2022

Assigned to: Finance

Reassigned: Education, Health, and Environmental Affairs, January 28, 2022

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 23, 2022

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

1 AN ACT concerning

2 **Real Estate Associate Brokers and Salespersons – Compensation – Payment**  
3 **From Title Insurance Producer**

4 FOR the purpose of authorizing a certain title insurance producer to pay compensation for  
5 the provision of real estate brokerage services to associate real estate brokers, real  
6 estate salespersons, or certain business entities on behalf of a real estate broker  
7 under certain circumstances; and generally relating to compensation for real estate  
8 brokerage services.

9 BY repealing and reenacting, with amendments,  
10 Article – Business Occupations and Professions  
11 Section 17–322(b)(21) and 17–604  
12 Annotated Code of Maryland  
13 (2018 Replacement Volume and 2021 Supplement)

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

16 **Article – Business Occupations and Professions**

17 17–322.

18 (b) Subject to the hearing provisions of § 17–324 of this subtitle, the Commission  
19 may deny a license to any applicant, reprimand any licensee, or suspend or revoke a license

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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 if the applicant or licensee:

2 (21) **EXCEPT AS PROVIDED UNDER § 17-604 OF THIS TITLE**, for real  
 3 estate brokerage services provided by an associate real estate broker or a real estate  
 4 salesperson, accepts a commission or other valuable consideration from any person other  
 5 than a real estate broker with whom the associate broker or the salesperson is affiliated;  
 6 17-604.

7 (a) Except as provided in subsection (b) of this section, a real estate broker, an  
 8 associate real estate broker, or a real estate salesperson may not pay compensation, in any  
 9 form, for the provision of real estate brokerage services to any person who is not licensed  
 10 under this title.

11 (b) **[This] SUBSECTION (A) OF THIS** section does not prohibit the payment of  
 12 compensation to:

13 (1) an individual:

14 (i) who is licensed in another state; and

15 (ii) who meets the requirements of § 17-513 of this title;

16 (2) a professional service corporation formed under § 17-512 of this title;

17 (3) a limited liability company formed under § 17-512 of this title; [or]

18 (4) a business entity formed under § 17-512 of this title; **OR**

19 **(5) A TITLE INSURANCE PRODUCER LICENSED UNDER TITLE 10 OF**  
 20 **THE INSURANCE ARTICLE ACTING IN ACCORDANCE WITH SUBSECTION (C) OF THIS**  
 21 **SECTION.**

22 **(C) DURING THE SETTLEMENT OF PROPERTY, A LICENSED TITLE**  
 23 **INSURANCE PRODUCER MAY, ON BEHALF OF A REAL ESTATE BROKER AND IN**  
 24 **ACCORDANCE WITH A WRITTEN DISBURSEMENT AUTHORIZATION PROVIDED BY THE**  
 25 **REAL ESTATE BROKER, PAY COMPENSATION TO:**

26 **(1) AN ASSOCIATE REAL ESTATE BROKER;**

27 **(2) A REAL ESTATE SALESPERSON; OR**

28 **(3) A BUSINESS ENTITY FORMED UNDER § 17-512 OF THIS TITLE.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect

1 October 1, 2022.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.