SENATE BILL 542

By: Senator Brooks
Introduced and read first time: January 25, 2024
Assigned to: Education, Energy, and the Environment

Committee Report: Favorable
Senate action: Adopted
Read second time: February 13, 2024

CHAPTER _____

AN ACT concerning

Real Estate Brokers – Brokerage Agreements – Requirements

FOR the purpose of requiring certain provisions to be included in a brokerage agreement

between a real estate broker and a seller or lessor or a buyer or lessee; and generally

- 6 BY repealing and reenacting, with amendments,
- 7 Article Business Occupations and Professions

relating to real estate brokerage agreements.

- 8 Section 17–534
- 9 Annotated Code of Maryland
- 10 (2018 Replacement Volume and 2023 Supplement)
- 11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND.
- 12 That the Laws of Maryland read as follows:

13 Article – Business Occupations and Professions

14 17–534.

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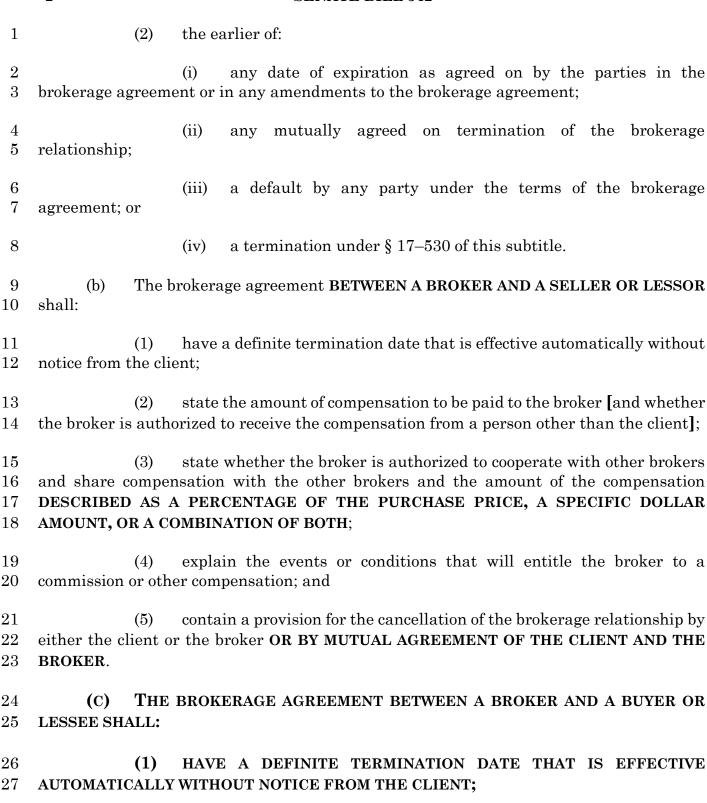
- 15 (a) A brokerage relationship commences at the time that a client enters into a brokerage agreement and shall continue until:
- 17 (1) the completion of performance in accordance with the brokerage 18 agreement; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- 28 (2) STATE THE AMOUNT OF COMPENSATION TO BE PAID TO THE BROKER, DESCRIBED AS A PERCENTAGE OF THE PURCHASE PRICE, A SPECIFIC
- 30 DOLLAR AMOUNT, OR A COMBINATION OF BOTH;

- 1 (3) STATE WHETHER THE BROKER IS AUTHORIZED TO RECEIVE SOME 2 OR ALL OF THE COMPENSATION TO BE PAID TO THE BROKER FROM A PERSON OTHER 3 THAN THE CLIENT;
- 4 (4) STATE THE CLIENT'S RIGHTS AND OBLIGATIONS REGARDING THE 5 COMPENSATION TO BE PAID TO THE BROKER IF THE BROKER IS AUTHORIZED TO 6 RECEIVE SOME OR ALL OF THE COMPENSATION TO BE PAID TO THE BROKER FROM A 7 PERSON OTHER THAN THE CLIENT;
- 8 (5) EXPLAIN THE EVENTS THAT MUST OCCUR OR CONDITIONS THAT 9 MUST BE MET IN ORDER FOR THE BROKER TO BE ENTITLED TO A COMMISSION OR 10 OTHER COMPENSATION; AND
- 11 (6) CONTAIN A PROVISION FOR THE CANCELLATION OF THE 12 BROKERAGE RELATIONSHIP BY EITHER THE CLIENT OR THE BROKER OR BY MUTUAL 13 AGREEMENT OF THE CLIENT AND THE BROKER.
- [(c)] (D) Except as otherwise provided in the brokerage agreement, a licensee shall have no further duties or obligations to a client after the termination, expiration, or completion of performance of the brokerage relationship, except to:
- 17 (1) account for all trust money in the licensee's possession in accordance 18 with this title; and
- 19 (2) except as otherwise provided by this title or another law, keep 20 confidential all personal and financial information received from the client during the 21 course of the brokerage relationship and any other information that the client requests 22 during the brokerage relationship to be kept confidential, unless:
- 23 (i) the client consents in writing to the disclosure of the information; 24 or
- 25 (ii) the information becomes public from a source other than the 26 licensee.
- [(d)] (E) The payment or promise of payment of compensation to a licensed real estate broker by a seller, lessor, buyer, or lessee, or by a licensee acting for a seller, lessor, buyer, or lessee:
- 30 (1) is not determinative of whether a brokerage relationship has been 31 created or exists; and
- 32 (2) does not create or determine the existence of a brokerage relationship 33 between a broker and a seller, lessor, buyer, lessee, or licensee.

Approved:	
	Governor.
	President of the Senate.

Speaker of the House of Delegates.