

**BEFORE THE ECONOMIC MATTERS COMMITTEE OF THE MARYLAND
HOUSE OF DELEGATES**

RE: **HOUSE BILL 1006** - Repeal of Exemption from Real Estate Brokers' License for Auctioneers

Testimony by Robert (Bob) A. Thornton, Jr., Esquire

February 18, 2020

TESTIMONY

My name is Bob Thornton. I have been managing and operating a small business for legal services for almost 44 years. I am not a paid spokesperson nor do I have any Political connections with any of the Organizations that I am testifying about.

In the 1990s I roamed this House Office Building as a member of the Ways and Means Committee. At that time, I sorted through legislation as a Delegate along with now Attorney General Frosh, Comptroller Franchot, Secretary of Agriculture Bartenfelder and former Governor Erlich to name a few, and when it came to repealing something that was already in the law, we observed the following unwritten rules;

First, whenever the repeal targeted a certain group or people, we thought about the constitutionality of it;

Second, we wondered about the motive of the people sponsoring the repeal as to whether they were members of any organization or licensing body, that may be requesting the repeal, or had they received contributions from any PAC of such a body:

Third, and most important, was that our predecessors that were duly elected representatives of our communities, had decided that an exemption was warranted and necessary, so what had happened from then to now, to make the repeal necessary? What had changed?

As pointed out in the Fiscal and Policy Note to this HB, its effect on small business could be **potentially meaningful**. I am here to tell you that it is meaningful to other small businesses such as mine, the Courts and the economy when and if Auctioneers are subject to the same rules and regulations as real estate brokers when their business models are completely different.

Auctioneers are there when you need them and my experience has been that money or commission is not an issue.

For instance, there have been a number of cases in which I am handling an estate with property being so deplorable and unlivable that a Real Estate Agent won't touch it. Auctioneers will sell it, no matter what it takes, because even though they are not making any or much commission on one case, they know that the attorney, Register of Wills, court and property owner will recommend more business for them in the future as they have done in the past.

One example: I have a 150-acre farm in the Marydel area in which I have 10 heirs, all out of state residents, fighting over how much they are going to get. In addition to the fact that I cannot get all 10 heirs to agree on anything, a properly advertised, public auction sale will bring the current market value, by definition, and none of the heirs will likely be able to challenge the sale.

In addition to advertising in farmer's publications in PA, NJ, DE, MD and VA., the auctioneering company we are using has a large list of contacts to people the auctioneer knows are interested in farmland, plus the advertisement at all their other auctions on a weekly basis.

Ladies and Gentlemen: This is what makes our economy work, especially in the rural areas of this state. The constant flow of money employs many people, serves a practical role in our economy and produces many tax advantages to the State and Counties. There are state and county transfer and recordation taxes, new assessments on the real property, 10% inheritance tax and, of course Income tax paid by all the people involved in the sale, including me.

Closing, let me suggest that in the future, be careful when you are considering any legislation that might impact auctioneers and/or Preachers. They have pulpits, a captive audience at least once a week, and microphones.

Thank you and best of luck on your deliberations.

Respectfully Submitted

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