

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
Department of Labor, Licensing, and Regulation
(DLS Control No. 14-228)**

Overview and Legal and Fiscal Impact

This regulation requires a licensed real estate broker who receives multiple offers to provide a *full* copy of each formal offer, rather than selected portions of each offer, to a property owner before the property owner accepts an offer.

The regulation presents no legal issue of concern.

There is no fiscal impact on State or local agencies.

Regulation of COMAR Affected

Department of Labor, Licensing, and Regulation:

Real Estate Commission: Code of Ethics: COMAR 09.11.02.02

Legal Analysis

Background

As part of a licensed real estate broker's ethical responsibilities, if a licensee receives multiple offers to purchase a property, the licensee must provide the property owner with a copy of "all formal written offers presented to the licensee." According to the Department of Labor, Licensing, and Regulation (department), the requirement under COMAR 09.11.02.02H enables a property owner to make an informed decision about which offer to accept. The requirement, however, does not specify whether the copies satisfy the requirement if they contain only a portion of the offers received.

Summary of Regulation

The regulation clarifies that a licensee must present the *full* offer to the property owner, either in hard copy or in an electronic format.

Legal Issue

The regulation presents no legal issues of concern.

Statutory Authority and Legislative Intent

The department cites § 17-207 of the Business Occupations and Professions Article as authority for the regulation. Specifically, § 17-207(a) requires the State Real Estate Commission to adopt regulations that establish a code of ethics for licensed real estate brokers. This authority is correct and complete. The regulation complies with the legislative intent of the law.

Technical Notes and Corrections

The regulation refers to “§H(1) of this Regulation”, which is technically not as precise as the Department of Legislative Services’ preferred method of cross-referencing within the same level of tabulation. In that case, the cross-reference would be to “§H(1) of this section.” Other cross-references within the regulation use the more general reference to “regulation,” so counsel has recommended that the department follow the same format by simply not capitalizing “Regulation.” The department has agreed to revise its submission in this fashion.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The department advises that the regulation has minimal or no impact on State or local governments. The Department of Legislative Services concurs.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The department advises that the regulation has minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

Additional Comments

The department advises that the regulation is clarifying in nature and that, if licensees currently are not providing the *full* text of a formal written offer to their client, they are already providing a significant portion. Therefore, any additional burden on licensees due to the regulation is anticipated to be minimal.

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