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**By: Delegate Jacobs**

Introduced and read first time: February 1, 1996

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Estate Brokers - Limitation on Interest in Business by Associate Real Estate**  
3 **Brokers and Real Estate Salespersons**

4 FOR the purpose of creating a certain exception to the limitation on interest in a real  
5 estate business by an associate real estate broker or real estate salesperson; and  
6 generally relating to the ownership of real estate businesses.

7 BY repealing and reenacting, with amendments,  
8 Article - Business Occupations and Professions  
9 Section 17-511  
10 Annotated Code of Maryland  
11 (1995 Replacement Volume and 1995 Supplement)

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

14 **Article - Business Occupations and Professions**

15 17-511.

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

17 (2) "Business" means a person or entity, regardless of legal structure,  
18 through which real estate brokerage services are provided.

19 (3) "Interest in a business" means, in the case of a business that is in a  
20 corporation, the outstanding voting stock of the corporation through which real estate  
21 brokerage services are provided.

22 (b) (1) Not more than 49% of the interest in a business may be held directly or  
23 indirectly by associate real estate brokers, real estate salespersons, or any combination of  
24 associate brokers or salespersons.

25 (2) An interest of a licensee in a business through which real estate  
26 brokerage services are provided shall include any interest in the business held by an  
27 immediate family member of the licensee.

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1                   (3) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, 50% OF  
2 THE INTEREST IN A BUSINESS MAY BE HELD BY A SINGLE ASSOCIATE REAL ESTATE  
3 BROKER OR BY A SINGLE REAL ESTATE SALESPERSON.

4                   (c) Except as to the limitation of interest of the professional service corporation  
5 in a business through which real estate brokerage services are provided, this section does  
6 not affect the formation of a professional service corporation by associate real estate  
7 brokers and real estate salespersons authorized by § 17-512 of this subtitle.

8                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 1996.