

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

House Bill 49 (Delegate Fulton)  
Economic Matters

Referred to Economic & Environmental Affairs

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**Real Estate Brokers - Errors and Omissions Insurance - Disclosure**

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This amended bill requires a real estate broker who purchases errors and omissions insurance that covers associate real estate brokers and real estate salespersons who are affiliated with or employed by the broker to provide immediate notice to those covered under the broker's policy if the insurance is discontinued.

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**Fiscal Summary**

**State Effect:** None. The bill does not directly affect governmental operations or finances.

**Local Effect:** None.

**Small Business Effect:** Minimal effect on small businesses as discussed below.

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**Fiscal Analysis**

**Small Business Effect:** There are approximately 4,500 real estate brokers in the State and nearly all of them are small businesses. This bill requires a real estate broker who offers an associate real estate broker or real estate salesperson coverage under a policy providing errors and omissions insurance to provide immediate notice if the policy is discontinued. This notification could minimally increase administrative costs for real estate brokers.

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**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Fiscal Services

**Fiscal Note History:** First Reader - January 14, 1997

brd Revised - House Third Reader - March 14, 1997

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Analysis by: Shelley K. Finlayson

Direct Inquiries to:

Reviewed by: John Rixey

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710