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By: **Delegate Fulton**

Introduced and read first time: February 4, 1998

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Estate Industry - Prohibited Marketing Agreements**

3 FOR the purpose of clarifying the prohibition on real estate brokers, associate real  
4 estate brokers, and associate salespersons from making certain payments to  
5 certain persons; prohibiting a real estate broker, associate real estate broker, or  
6 a real estate salesperson from making payments or providing a reduced rate of  
7 commission to certain buyers and sellers referred by another person in  
8 accordance with certain marketing agreements between the person and the real  
9 estate broker, associate real estate broker, or real estate salesperson; providing  
10 for a delayed effective date; and generally relating to prohibiting real estate  
11 brokers, associate real estate brokers, and real estate salespersons from  
12 entering into certain marketing agreements.

13 BY repealing and reenacting, with amendments,  
14 Article - Business Occupations and Professions  
15 Section 17-604  
16 Annotated Code of Maryland  
17 (1995 Replacement Volume and 1997 Supplement)

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

20 **Article - Business Occupations and Professions**

21 17-604.

22 (a) Except as provided in subsection (b) of this section, a real estate broker, an  
23 associate real estate broker, or a real estate salesperson may not pay compensation  
24 DIRECTLY OR INDIRECTLY, in any form, for the provision of real estate brokerage  
25 services to any person who is not licensed under this title.

26 (b) This section does not prohibit the payment of compensation to:

27 (1) an individual:

28 (i) who is licensed in another state; and

1 (ii) who meets the requirements of § 17-513 of this title; or

2 (2) a professional service corporation formed under § 17-512 of this title.

3 (C) A REAL ESTATE BROKER, AN ASSOCIATE REAL ESTATE BROKER, OR A REAL  
4 ESTATE SALESPERSON MAY NOT MAKE ANY PAYMENTS OR PROVIDE A REDUCED  
5 RATE OF COMMISSION TO A BUYER OR SELLER REFERRED BY ANOTHER PERSON IN  
6 ACCORDANCE WITH ANY KIND OF MARKETING AGREEMENT BETWEEN THE PERSON  
7 AND THE REAL ESTATE BROKER, ASSOCIATE REAL ESTATE BROKER, OR REAL ESTATE  
8 SALESPERSON.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
10 June 1, 1999.