

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 607 (Senator Pinsky)
Economic and Environmental Affairs

Real Estate Brokers - Dual Agency - Repeal

This bill repeals the authority of a licensed real estate broker to operate as a dual agent. The bill provides for a “transaction broker” which is defined as a licensed real estate broker who provides limited representation to a buyer, a seller, or both in a real estate transaction, but does not represent either party in a fiduciary capacity or as a single agent. Duties of a transaction broker include: (1) dealing honestly and fairly; (2) accounting for all funds; (3) using care, skill, and diligence in the transaction; (4) disclosing all known facts that materially affect the value of real property and are not readily observable to the buyer; (5) presenting all offers and counteroffers in a timely manner, unless a party has previously directed the broker otherwise in writing; (6) providing limited confidentiality; and (7) performing any additional duties that are mutually agreed to by the parties.

Fiscal Summary

State Effect: None. This bill would not materially affect the operations or finances of the Department of Labor, Licensing, and Regulation.

Local Effect: None.

Small Business Effect: The majority of real estate brokers are small businesses. Over the past five years, consumer demand for buyer brokers has increased. To the extent that the repeal of dual agency facilitates consumer demand for buyer brokers, this bill could have a meaningful effect on small businesses.

Information Source: Department of Labor, Licensing, and Regulation

Fiscal Note History: First Reader - March 3, 1998

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