

HOUSE BILL 52

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2002 Regular Session
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(PRE-FILED)

By: **Delegate Fulton**
Requested: October 23, 2001
Introduced and read first time: January 9, 2002
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 20, 2002

CHAPTER _____

1 AN ACT concerning

2 ~~Real Estate Agents and Brokers - Ethics Course for Licensure and Renewal~~
3 ~~Business Occupations and Professions - Real Estate Licenses -~~
4 ~~Requirements for Licensure and Renewal~~

5 FOR the purpose of requiring an applicant for licensure as a real estate salesperson,
6 associate real estate broker, or real estate broker to take a course in real estate
7 ethics; ~~requiring a licensee seeking renewal of a real estate salesperson license,~~
8 ~~associate real estate broker license, or real estate broker license to take a course~~
9 ~~in real estate ethics; and generally relating to the licensure of real estate agents~~
10 ~~and brokers altering the circumstances under which a real estate licensee~~
11 ~~qualifies for renewal of a license; authorizing certain licensees holding a license~~
12 ~~from another state to substitute certain clock hours of continuing education~~
13 ~~instruction; expanding the subject matter for continuing education instruction~~
14 ~~that is approved by the State Real Estate Commission; adding a requirement for~~
15 ~~a certain course in continuing education instruction to be offered during certain~~
16 ~~years, including a discussion of certain practices; adding a provision through~~
17 ~~which a certain licensee may otherwise satisfy the continuing education~~
18 ~~instruction requirement; and generally relating to the licensure and renewal~~
19 ~~requirements for real estate licenses.~~

20 BY repealing and reenacting, with amendments,
21 Article - Business Occupations and Professions
22 Section 17-303(d), 17-305(d), and 17-315(a) ~~and (b), (b), and (c)~~
23 Annotated Code of Maryland
24 (2000 Replacement Volume and 2001 Supplement)

25 BY repealing and reenacting, without amendments,

1 Article - Business Occupations and Professions
 2 Section 17-303(a), (b), and (c), 17-304, and 17-305(a), (b), and (c)
 3 Annotated Code of Maryland
 4 (2000 Replacement Volume and 2001 Supplement)

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

7 **Article - Business Occupations and Professions**

8 17-303.

9 (a) To qualify for a real estate salesperson license, an applicant shall be an
 10 individual who meets the requirements of this section.

11 (b) An applicant shall be of good character and reputation.

12 (c) An applicant shall be at least 18 years old.

13 (d) An applicant shall have completed successfully:

14 (1) a basic course in real estate approved by the Commission that:

15 (I) does not require more than 60 clock hours of classroom
 16 instruction; AND

17 (II) INCLUDES A 3 CLOCK HOUR COURSE IN REAL ESTATE ETHICS
 18 APPROVED BY THE COMMISSION; or

19 (2) if approved by the Commission as an alternative, courses in real
 20 estate subjects in any college; ~~AND~~

21 ~~(3)~~ INCLUDING A 3 CLOCK HOUR COURSE IN REAL ESTATE ETHICS
 22 APPROVED BY THE COMMISSION.

23 17-304.

24 (a) To qualify for an associate real estate broker license, an applicant shall be
 25 an individual who meets the requirements of this section.

26 (b) An applicant shall meet the requirements for a real estate broker license
 27 under § 17-305 of this subtitle.

28 (c) An applicant shall obtain, from a licensed real estate broker, a
 29 commitment providing that the applicant shall become affiliated with the licensed
 30 real estate broker as an associate real estate broker on the granting of an associate
 31 real estate broker license to the applicant.

1 17-305.

2 (a) To qualify for a real estate broker license, an applicant shall be an
3 individual who meets the requirements of this section.

4 (b) An applicant shall be of good character and reputation.

5 (c) An applicant shall be at least 18 years old.

6 (d) (1) Except as provided in paragraph (2) of this subsection, an applicant
7 shall:

8 (i) have completed successfully a course in real estate approved by
9 the Commission for real estate brokers ~~THAT INCLUDES A 3 CLOCK HOUR COURSE IN~~
10 ~~REAL ESTATE ETHICS APPROVED BY THE COMMISSION~~; and

11 (ii) have been a licensed real estate salesperson and have actively
12 and lawfully provided real estate brokerage services for at least 3 years.

13 (2) If an applicant is qualified to practice law in the State, the
14 Commission shall waive the educational and experience requirements of paragraph
15 (1) of this subsection for that applicant.

16 17-315.

17 (a) (1) To qualify for renewal of a license under this subtitle, a licensee shall
18 ~~complete:~~

19 (i) ~~in the license term that begins in 1992, at least 12 clock hours of~~
20 ~~continuing education instruction, as provided in this section, during each 2 year~~
21 ~~license term; and~~

22 (ii) ~~in and after the license term that begins in 1996, COMPLETE~~ at
23 least 15 clock hours of continuing education instruction ~~THAT INCLUDES 3 CLOCK~~
24 ~~HOURS OF REAL ESTATE ETHICS IN AND AFTER THE LICENSE TERM THAT BEGINS IN~~
25 ~~1996~~, as provided in this section, during the preceding 2-year term.

26 (2) Notwithstanding paragraph (1) of this subsection:

27 (i) a licensee who is granted a license during the second year of a
28 license term may renew a license for the next full term without complying with the
29 continuing education requirements of this section; and

30 (ii) ~~a licensee who has been licensed for 10 years or more may~~
31 ~~satisfy the continuing education requirements and renew a license for the next full~~
32 ~~term by completing 6 clock hours of continuing education instruction that:~~

33 1. ~~INCLUDES 3 CLOCK HOURS OF REAL ESTATE ETHICS; AND~~

34 2. ~~outlines relevant changes that have occurred in federal,~~
35 ~~State, or local laws, or any combination of those laws.~~

1 (II) A LICENSEE MAY SATISFY THE CONTINUING EDUCATION
 2 REQUIREMENTS AND RENEW A LICENSE FOR THE NEXT FULL TERM BY COMPLETING
 3 7.5 CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION AS PROVIDED FOR IN
 4 SUBSECTION (B) OF THIS SECTION IF THE LICENSEE:

5 1. POSSESSES A GRADUATE DEGREE IN LAW FROM AN
 6 ACCREDITED LAW SCHOOL;

7 2. POSSESSES A GRADUATE DEGREE IN REAL ESTATE FROM
 8 AN ACCREDITED COLLEGE OR UNIVERSITY;

9 3. HAS BEEN LICENSED FOR 10 CONSECUTIVE YEARS AND
 10 HOLDS A REAL ESTATE DESIGNATION FROM:

11 A. A NATIONALLY RECOGNIZED REAL ESTATE TRADE
 12 ASSOCIATION, INCLUDING THE NATIONAL ASSOCIATION OF REALTORS AND THE
 13 NATIONAL ASSOCIATION OF REAL ESTATE BROKERS, INC.;

14 B. THE MARYLAND ASSOCIATION OF REALTORS; OR

15 C. THE REAL ESTATE BROKERS OF BALTIMORE, INC.; OR

16 4. IS LICENSED AS A REAL ESTATE APPRAISER UNDER TITLE
 17 16 OF THIS ARTICLE.

18 (3) A LICENSEE HOLDING A LICENSE FROM ANOTHER STATE MUST
 19 COMPLETE AT LEAST 15 CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION
 20 DURING EACH 2-YEAR LICENSE TERM AND MAY SUBSTITUTE CLOCK HOURS OF
 21 CONTINUING EDUCATION INSTRUCTION EARNED IN ANOTHER STATE, IF THOSE
 22 CLOCK HOURS:

23 (I) ARE APPROVED AS REAL ESTATE CONTINUING EDUCATION IN
 24 THAT STATE; AND

25 (II) MEET THE DISTRIBUTION REQUIREMENTS OF SUBSECTION
 26 (B)(2) OF THIS SECTION.

27 (4) THE COMMISSION SHALL GRANT THE SUBSTITUTION OF CLOCK
 28 HOURS IN PARAGRAPH (3) OF THIS SUBSECTION ONLY IF THE OTHER STATE PERMITS
 29 THE SUBSTITUTION OF CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION
 30 APPROVED BY THE COMMISSION FOR A LICENSEE OF THIS STATE.

31 (b) (1) The Commission shall approve the form, substance, and, as provided
 32 under paragraph (2) of this subsection, subject matter of all continuing education
 33 courses.

34 (2) The subject matter approved by the Commission shall:

35 (i) relate to real estate OR TO A SUBJECT MATTER INTENDED TO
 36 ASSIST A LICENSEE IN PROVIDING REAL ESTATE BROKERAGE SERVICES TO THE

1 PUBLIC IN A MORE EFFICIENT AND EFFECTIVE MANNER INCLUDING COURSES
 2 APPROVED BY THE COMMISSION INTENDED TO ASSIST A LICENSEE IN PROVIDING
 3 REAL ESTATE BROKERAGE SERVICES TO THE PUBLIC;

4 (ii) every 2 years, include at least one ~~3-hour~~ 3 CLOCK HOUR course
 5 that outlines relevant changes that have occurred in federal, State, or local laws and
 6 regulations, or any combination of those laws and regulations; [and]

7 (iii) every 2 years, include at least one 1.5 clock hour course that
 8 outlines federal, State, and local fair housing laws and regulations, including fair
 9 housing advertising; AND

10 (IV) EVERY 2 YEARS, INCLUDE AT LEAST ONE 3 CLOCK HOUR
 11 COURSE IN REAL ESTATE ETHICS COURSE THAT INCLUDES THE MARYLAND CODE OF
 12 ETHICS AND A DISCUSSION OF THE PRACTICES OF FLIPPING AND PREDATORY
 13 LENDING.

14 (3) ~~The EXCEPT FOR THE~~ requirement of paragraph (2)(iii) of this
 15 subsection ~~does not apply to~~, a licensee who provides real estate brokerage services
 16 solely in connection with nonresidential real estate MAY SATISFY CONTINUING
 17 EDUCATION REQUIREMENTS AND RENEW A LICENSE FOR THE NEXT FULL TERM BY
 18 COMPLETING 15 CLOCK HOURS OF INSTRUCTION, UNLESS THE LICENSEE MEETS
 19 THE REQUIREMENTS OF SUBSECTION (A)(2)(II) OF THIS SECTION.

20 (4) To be acceptable for credit as a continuing education course under
 21 this section, the course shall cover 1 or more topics approved by the Commission.

22 (c) (1) Continuing education courses may be conducted by:

23 (i) the Maryland Association of Realtors or its member boards;

24 (ii) the Real Estate Brokers of Baltimore [City], Inc.;

25 (iii) any similar professional association; or

26 (iv) an educational institution approved by the Commission.

27 (2) Continuing education courses shall be taught by a qualified
 28 instructor who is experienced in the real estate industry.

29 (3) On or before January 1, 2003, the Commission shall adopt
 30 regulations that provide for the conduct of continuing education instruction courses
 31 by:

32 (i) remote access satellite;

33 (ii) closed-circuit video;

34 (iii) computer, including transmission over the Internet and the
 35 World Wide Web;

1 (iv) home study; and

2 (v) any other delivery system approved by the Commission.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2002.