

HOUSE BILL 596

Unofficial Copy
C2

2002 Regular Session
2lr2123
CF 2lr2109

By: **Delegate Brown**

Introduced and read first time: February 4, 2002

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Nonresident Real Estate Brokers - Commercial Real Estate - Reciprocity**

3 FOR the purpose of adding a new part to a certain subtitle of the Business and
4 Occupations Article; requiring a nonresident real estate broker to meet certain
5 conditions in order to provide commercial real estate brokerage services in this
6 State; requiring a certain written application to be submitted to the State Real
7 Estate Commission before a nonresident real estate broker may provide
8 services; requiring a nonresident real estate salesperson to meet certain
9 conditions in order to provide certain real estate services in this State; allocating
10 certain trust money to be received and deposited in a certain fund; designating
11 the Secretary of State as the agent for certain real estate brokers and
12 salespersons with regard to a subpoena, summons, or other process; defining
13 certain terms; and generally relating to nonresident real estate brokers.

14 BY adding to

15 Article - Business Occupations and Professions
16 Section 17-536 through 17-540, inclusive, to be under the new part "Part IV.
17 Nonresident Commercial Real Estate Brokers"
18 Annotated Code of Maryland
19 (2000 Replacement Volume and 2001 Supplement)

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

22 **Article - Business Occupations and Professions**

23 **PART IV. NONRESIDENT COMMERCIAL REAL ESTATE BROKERS.**

24 17-536.

25 (A) IN THIS PART IV OF THIS SUBTITLE THE FOLLOWING WORDS HAVE THE
26 MEANINGS INDICATED.

27 (B) "COMMERCIAL REAL ESTATE" MEANS:

1 (1) REAL PROPERTY IMPROVED BY FIVE OR MORE SINGLE-FAMILY
2 UNITS; AND

3 (2) UNIMPROVED REAL PROPERTY ZONED FOR COMMERCIAL,
4 INDUSTRIAL, OR NONRESIDENTIAL USE BY THE LOCAL ZONING AUTHORITY OF THE
5 COUNTY OR MUNICIPALITY IN WHICH THE PROPERTY IS LOCATED.

6 (C) "COMMERCIAL REAL ESTATE" DOES NOT MEAN:

7 (1) PROPERTY ZONED FOR AGRICULTURAL USE; OR

8 (2) SINGLE-FAMILY UNITS, INCLUDING A CONDOMINIUM UNIT,
9 LOCATED IN A RESIDENTIAL SUBDIVISION FOR SALE OR FOR LEASE, OR OTHERWISE
10 CONVEYED OR TO BE CONVEYED ON A SINGLE BASIS.

11 (D) "NONRESIDENT REAL ESTATE BROKER" MEANS AN INDIVIDUAL,
12 PARTNERSHIP, JOINT VENTURE, LIMITED LIABILITY COMPANY, LIMITED LIABILITY
13 PARTNERSHIP, OR CORPORATION THAT IS NOT LICENSED UNDER SUBTITLE 3 OF
14 THIS TITLE BUT IS LICENSED TO PROVIDE REAL ESTATE BROKERAGE SERVICES IN A
15 JURISDICTION OTHER THAN THIS STATE.

16 (E) "NONRESIDENT REAL ESTATE SALESPERSON" MEANS AN INDIVIDUAL
17 WHO IS NOT LICENSED UNDER SUBTITLE 3 OF THIS TITLE BUT IS LICENSED TO
18 PROVIDE REAL ESTATE BROKERAGE SERVICES AND IS AFFILIATED WITH A
19 NONRESIDENT REAL ESTATE BROKER.

20 17-537.

21 (A) A NONRESIDENT REAL ESTATE BROKER MAY PROVIDE REAL ESTATE
22 BROKERAGE SERVICES UNDER THIS TITLE WITH RESPECT TO COMMERCIAL REAL
23 ESTATE LOCATED IN THIS STATE AND RECEIVE COMPENSATION PROVIDED THE
24 NONRESIDENT BROKER:

25 (1) PROVIDES REAL ESTATE BROKERAGE SERVICES THROUGH A REAL
26 ESTATE BROKER LICENSED UNDER THIS TITLE;

27 (2) ENTERS INTO A WRITTEN AGREEMENT WITH A LICENSED REAL
28 ESTATE BROKER IN THIS STATE WHICH SPECIFIES THE TERMS OF COOPERATION
29 AND COMPENSATION AND INCLUDES A STATEMENT BY THE NONRESIDENT REAL
30 ESTATE BROKER THAT THE NONRESIDENT REAL ESTATE BROKER AND THE
31 NONRESIDENT SALESPERSONS LICENSED AND AFFILIATED WITH THE
32 NONRESIDENT REAL ESTATE BROKER WILL BOTH ADHERE TO THE LAWS OF THIS
33 STATE AND THIS TITLE; AND

34 (3) COMPLIES WITH THE REQUIREMENTS OF SUBSECTION (B) OF THIS
35 SECTION.

36 (B) BEFORE A NONRESIDENT REAL ESTATE BROKER MAY PROVIDE REAL
37 ESTATE BROKERAGE SERVICES IN THIS STATE, THE NONRESIDENT REAL ESTATE
38 BROKER SHALL MAKE WRITTEN APPLICATION TO THE COMMISSION INCLUDING:

1 (1) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE
2 NONRESIDENT REAL ESTATE BROKER;

3 (2) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE BUSINESS
4 ENTITY THROUGH WHICH THE NONRESIDENT REAL ESTATE BROKER PROVIDES
5 REAL ESTATE BROKERAGE SERVICES;

6 (3) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF EACH
7 NONRESIDENT REAL ESTATE SALESPERSON WHO WILL OFFER OR PROVIDE REAL
8 ESTATE BROKERAGE SERVICES IN THIS STATE ON BEHALF OF THE NONRESIDENT
9 REAL ESTATE BROKER;

10 (4) A COPY OF THE AGREEMENT REQUIRED BY SUBSECTION (A) OF THIS
11 SECTION;

12 (5) WRITTEN EVIDENCE THAT THE NONRESIDENT REAL ESTATE
13 BROKER AND EACH NONRESIDENT REAL ESTATE SALESPERSON LISTED UNDER
14 PARAGRAPH (3) OF THIS SUBSECTION, ARE DULY LICENSED IN ANOTHER
15 JURISDICTION, AND THAT THE LICENSE IS VALID, CURRENT, AND ACTIVE;

16 (6) WRITTEN CONSENT SIGNED BY THE NONRESIDENT REAL ESTATE
17 BROKER, INDIVIDUALLY AND ON BEHALF OF THE BUSINESS ENTITY, AND BY EACH
18 NONRESIDENT REAL ESTATE SALESPERSON LISTED UNDER PARAGRAPH (3) OF THIS
19 SUBSECTION, THAT SERVICE OF PROCESS ON THE SECRETARY OF STATE SHALL BIND
20 THE APPLICANT IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT AGAINST THE
21 BROKER OR SALESPERSON;

22 (7) WRITTEN CONSENT SIGNED BY THE NONRESIDENT REAL ESTATE
23 BROKER AND BY EACH NONRESIDENT SALESPERSON LISTED UNDER PARAGRAPH (3)
24 OF THIS SUBSECTION, TO SUBMIT TO THE JURISDICTION OF THE COMMISSION; AND

25 (8) ANY OTHER INFORMATION THAT IS REQUESTED BY THE
26 COMMISSION.

27 17-538.

28 (A) UPON APPROVAL BY THE COMMISSION, A NONRESIDENT REAL ESTATE
29 BROKER MAY PROVIDE REAL ESTATE BROKERAGE SERVICES IN THIS STATE WITH
30 RESPECT TO COMMERCIAL REAL ESTATE.

31 (B) A NONRESIDENT REAL ESTATE SALESPERSON LICENSED IN ANOTHER
32 JURISDICTION AND AFFILIATED WITH A NONRESIDENT REAL ESTATE BROKER MAY
33 PROVIDE REAL ESTATE BROKERAGE SERVICES IN THIS STATE WITH RESPECT TO
34 COMMERCIAL REAL ESTATE IF:

35 (1) THE NONRESIDENT REAL ESTATE SALESPERSON IS LICENSED WITH
36 AND PROVIDES REAL ESTATE BROKERAGE SERVICES UNDER THE DIRECT
37 SUPERVISION OF THE NONRESIDENT REAL ESTATE BROKER;

1 (2) THE NONRESIDENT REAL ESTATE BROKER SATISFIES THE
2 REQUIREMENTS OF § 17-537 OF THIS SUBTITLE; AND

3 (3) THE NONRESIDENT REAL ESTATE SALESPERSON PROVIDES REAL
4 ESTATE BROKERAGE SERVICES IN THE NAME OF THE NONRESIDENT REAL ESTATE
5 BROKER.

6 17-539.

7 ALL TRUST MONEY PAID ON ACCOUNT OF A TRANSACTION INVOLVING
8 COMMERCIAL REAL ESTATE IN THIS STATE SHALL BE RECEIVED AND DEPOSITED IN
9 ACCORDANCE WITH PART I OF THIS SUBTITLE.

10 17-540.

11 BY FILING THE WRITTEN CONSENT REQUIRED UNDER § 17-537(B)(6) OF THIS
12 SUBTITLE, THE NONRESIDENT REAL ESTATE BROKER OR NONRESIDENT REAL
13 ESTATE SALESPERSON APPOINTS THE SECRETARY OF STATE AS AGENT TO RECEIVE
14 A SUBPOENA, SUMMONS, OR OTHER PROCESS.

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