

SENATE BILL 560

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2002 Regular Session
(2lr2110)

ENROLLED BILL

-- Education, Health, and Environmental Affairs/Economic Matters --

Introduced by **Senators Collins and Hollinger**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Business Occupations and Professions - Real Estate Licenses - ~~Continuing~~**
3 **Education Requirements for Licensure and Renewal**

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

1 ~~education requirements for real estate licensees licensure and renewal~~
2 ~~requirements for real estate licenses.~~

3 BY repealing and reenacting, without amendments,
4 Article - Business Occupations and Professions
5 Section 17-303(a), (b), and (c), 17-304, and 17-305(a), (b), and (c)
6 Annotated Code of Maryland
7 (2000 Replacement Volume and 2001 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article - Business Occupations and Professions
10 Section ~~17-303(d), 17-305(d), and 17-315~~ 17-315(a), (b), and (c)
11 Annotated Code of Maryland
12 (2000 Replacement Volume and 2001 Supplement)

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

15 **Article - Business Occupations and Professions**

16 17-303.

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

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

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

21 (d) An applicant shall have completed successfully:

22 (I) a basic course in real estate approved by the Commission that:

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

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

27 (2) if approved by the Commission as an alternative, courses in real estate
28 subjects in any college, INCLUDING A 3 CLOCK HOUR COURSE IN REAL ESTATE
29 ETHICS APPROVED BY THE COMMISSION.

30 17-304.

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

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

3 (c) An applicant shall obtain, from a licensed real estate broker, a commitment
4 providing that the applicant shall become affiliated with the licensed real estate broker
5 as an associate real estate broker on the granting of an associate real estate broker
6 license to the applicant.

7 17-305.

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

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

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

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

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

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

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

22 17-315.

23 (a) (1) To qualify for renewal of a license under this subtitle, a licensee shall
24 [complete:

25 (i) in the license term that begins in 1992, at least 12 clock hours of
26 continuing education instruction, as provided in this section, during each 2-year
27 license term; and

28 (ii) in and after the license term that begins in 1996,] COMPLETE
29 at least 15 clock hours of continuing education instruction IN AND AFTER THE
30 LICENSE TERM THAT BEGINS IN 1996, as provided in this section, during the
31 preceding 2-year term.

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

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

1 (ii) a licensee who has been licensed for 10 years or more may
 2 satisfy the continuing education requirements and renew a license for the next full
 3 term by completing 6 clock hours of continuing education instruction that outlines
 4 relevant changes that have occurred in federal, State, or local laws, or any
 5 combination of those laws.]

6 ~~(H) A LICENSEE WHO POSSESSES A GRADUATE DEGREE IN LAW,
 7 BUSINESS, OR REAL ESTATE FROM AN ACCREDITED COLLEGE OR UNIVERSITY, OR
 8 HAS BEEN LICENSED FOR 10 CONSECUTIVE YEARS AND HOLDS A REAL ESTATE
 9 DESIGNATION FROM A NATIONALLY RECOGNIZED REAL ESTATE TRADE
 10 ASSOCIATION INCLUDING THE NATIONAL ASSOCIATION OF REALTORS AND THE
 11 MARYLAND ASSOCIATION OF REALTORS MAY SATISFY THE CONTINUING EDUCATION
 12 REQUIREMENTS AND RENEW A LICENSE FOR THE NEXT FULL TERM BY COMPLETING
 13 7.5 CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION AS PROVIDED FOR IN
 14 SUBSECTION (B) OF THIS SECTION.~~

15 (II) A LICENSEE MAY SATISFY THE CONTINUING EDUCATION
 16 REQUIREMENTS AND RENEW A LICENSE FOR THE NEXT FULL TERM BY COMPLETING
 17 7.5 CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION AS PROVIDED FOR IN
 18 SUBSECTION (B) OF THIS SECTION IF THE LICENSEE:

19 1. POSSESSES A GRADUATE DEGREE IN LAW FROM AN
 20 ACCREDITED LAW SCHOOL;

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

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

25 A. A NATIONALLY RECOGNIZED REAL ESTATE TRADE
 26 ASSOCIATION, INCLUDING THE NATIONAL ASSOCIATION OF REALTORS AND THE
 27 NATIONAL ASSOCIATION OF REAL ESTATE BROKERS, INC.;

28 B. THE MARYLAND ASSOCIATION OF REALTORS; OR

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

30 4. IS LICENSED AS A REAL ESTATE APPRAISER UNDER TITLE
 31 16 OF THIS ARTICLE.

32 (3) ~~NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION:~~

33 (⊕) A LICENSEE HOLDING A LICENSE FROM ANOTHER STATE MUST
 34 COMPLETE AT LEAST 15 CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION
 35 DURING EACH 2-YEAR LICENSE TERM AND MAY SUBSTITUTE CLOCK HOURS OF
 36 CONTINUING EDUCATION INSTRUCTION EARNED IN ANOTHER STATE, IF THOSE
 37 CLOCK HOURS;

1 (I) ARE APPROVED AS REAL ESTATE CONTINUING EDUCATION IN
2 THAT STATE; AND

3 (II) MEET THE DISTRIBUTION REQUIREMENTS OF SUBSECTION
4 (B)(2) OF THIS SECTION.

5 (4) THE COMMISSION SHALL GRANT THE SUBSTITUTION OF CLOCK
6 HOURS IN ~~SUBPARAGRAPH (I) OF THIS PARAGRAPH (3) OF THIS SUBSECTION~~ ONLY IF
7 THE OTHER STATE PERMITS THE SUBSTITUTION OF CLOCK HOURS OF CONTINUING
8 EDUCATION INSTRUCTION APPROVED BY THE COMMISSION FOR A LICENSEE OF THIS
9 STATE.

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

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

14 (i) relate to real estate OR TO A SUBJECT MATTER INTENDED TO
15 ASSIST A LICENSEE IN PROVIDING REAL ESTATE BROKERAGE SERVICES TO THE
16 PUBLIC IN A MORE EFFICIENT AND EFFECTIVE MANNER INCLUDING
17 ~~TECHNOLOGICAL AND COMPUTER APPLICATIONS, SALES AND MARKETING~~
18 ~~TECHNIQUES, AND OTHER COURSES AS APPROVED BY THE COMMISSION INTENDED~~
19 ~~TO ASSIST A LICENSEE IN PROVIDING REAL ESTATE BROKERAGE SERVICES TO THE~~
20 ~~PUBLIC;~~

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

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

28 (IV) EVERY 2 YEARS, INCLUDE AT LEAST ONE 3 ~~CLOCK HOUR~~
29 CLOCK HOUR ETHICS COURSE THAT OUTLINES THE DUTIES OF LICENSEES UNDER
30 THE CODE OF ETHICS AS ADOPTED BY THE COMMISSION, THE NATIONAL
31 ASSOCIATION OF REALTORS, OR SUCH OTHER GOVERNMENTAL AGENCY OR TRADE
32 ASSOCIATION AS APPROVED BY THE COMMISSION THAT INCLUDES THE MARYLAND
33 CODE OF ETHICS AND INCLUDES A DISCUSSION OF THE PRACTICES OF FLIPPING AND
34 PREDATORY LENDING.

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

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

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

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

5 (ii) the Real Estate Brokers of Baltimore City, Inc.;

6 (iii) any similar professional association; or

7 (iv) an [educational institution] ~~EDUCATION PROVIDER~~ approved
8 by the Commission.

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

11 ~~(3) THE COMMISSION SHALL APPROVE ANY CONTINUING EDUCATION
12 COURSE WHICH SATISFIES THE REQUIREMENTS OF SUBSECTIONS (B)(2)(I) AND (C) OF
13 THIS SECTION WITHIN 14 DAYS OF THE SUBMISSION OF THE COURSE OUTLINE TO
14 THE COMMISSION.~~

15 ~~(4) IF THE COMMISSION DOES NOT APPROVE A COURSE AS SUBMITTED,
16 THE COMMISSION SHALL PROVIDE IN WRITING THE REASONS FOR THE
17 DISAPPROVAL.~~

18 ~~(5) (3)~~ (3) On or before January 1, 2003, the Commission shall adopt
19 regulations that provide for the conduct of continuing education instruction courses
20 by:

21 (i) remote access satellite;

22 (ii) closed-circuit video;

23 (iii) computer, including transmission over the Internet and the
24 World Wide Web;

25 (iv) home study; and

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

27 ~~(d) If feasible, continuing education courses shall be offered at reasonable
28 intervals in each county and in each major geographic area of the larger counties.~~

29 ~~(e) On completion of a continuing education course by a licensee, the entity
30 that conducted the course or the instructor shall issue to the licensee a certificate of
31 completion that states the number of clock hours of that course.~~

32 ~~(f) The Commission may waive the requirements of this section for a licensee
33 if the licensee shows good cause for being unable to meet the requirements.~~

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