

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

House Bill 52

(Delegate Fulton)

Economic Matters

Education, Health, and Environmental Affairs

**Business Occupations and Professions - Real Estate Licenses - Requirements for
Licensure and Renewal**

This bill alters several provisions relating to the continuing education (CE) requirements for the renewal of licenses for real estate brokers, associate brokers, and salespeople.

Fiscal Summary

State Effect: The bill would not directly affect governmental operations or finances.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: In addition to current requirements, an applicant for a real estate salesperson, associate broker, or broker license must successfully complete a three clock hour course in real estate ethics approved by the Maryland Real Estate Commission. In and after the license term that begins in 1996, a licensee must complete 15 clock hours of CE to qualify for renewal. If a licensee possesses a graduate degree in law, business, or real estate, or if the licensee has been licensed for ten consecutive years and holds a real estate designation from a nationally recognized trade association, the CE requirement may be satisfied with 7.5 clock hours of CE instruction.

A licensee holding a license from another state must complete 15 clock hours of CE each two-year license term. If the licensing state has approved the CE instruction earned in that state, and the state permits substitution of its requirements with approved CE

instruction for a licensee from Maryland, then the licensee may substitute approved CE from that state for the equivalent Maryland CE requirements.

Approved subject matter must assist a licensee in providing real estate brokerage services to the public. Every two years, a licensee must complete a three clock hour course that includes the Maryland Code of Ethics and discussion of the practices of flipping and predatory lending.

Each biennial renewal, a licensee who provides solely nonresidential brokerage services must complete 15 clock hours of CE, but is not required to complete a 1.5 clock hour course covering fair housing practices.

Current Law: There are currently two levels of CE requirements for license renewal:

- (1) a licensee that has been licensed for at least ten years must complete six clock hours of CE outlining relevant changes in federal, State, or local laws, or any combination of those laws; and
- (2) a licensee whose term began in or after 1996 must complete 15 clock hours of CE.

For licensees described in (2), the subject matter that the commission shall approve must: (1) relate to real estate; (2) every two years, include a three-hour course that outlines relevant changes in federal, State, and local laws and regulations; and (3) every two years, include a 1.5 clock hour course that outlines federal, State, and local fair housing laws and regulations, including fair housing advertising.

Licensees providing solely nonresidential brokerage services are exempted from the 1.5 clock hour fair housing course.

CE courses shall be taught by a qualified instructor through one of the following:

- the Maryland Association of Realtors or its member boards;
- the Real Estate Brokers of Baltimore, Inc.;
- any similar professional organization; or
- an educational institution approved by the commission.

Background: The National Association of Realtors adopted a code of ethics in 1913, and the Maryland Real Estate Commission adopted a code of ethics in 1967. The bill incorporates review of an ethics code into the continuing education requirements that apply to all licensees, and updates overall CE requirements to recognize changes in technology and practices, as well as the level of experience and formal education of licensees.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 4, 2002
ncs/jr Revised - House Third Reader - March 27, 2002

Analysis by: Mitchell J. McCalmon

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510