

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE
Revised

House Bill 704

(Delegate Brown)

Economic Matters

Education, Health, and Environmental Affairs

**Business Occupations and Professions - Real Estate Salespersons and Associate
 Real Estate Brokers - Use of Trade Name**

This bill authorizes a licensed associate real estate broker or salesperson to advertise and provide brokerage services under a trade name, if specified requirements are met.

Fiscal Summary

State Effect: General fund expenditures would increase \$15,000 in FY 2003 for one-time electronic licensing and database upgrades. Revenues could increase minimally due to new fees.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
GF Revenue	-	-	-	-	-
GF Expenditure	15,000	0	0	0	0
Net Effect	(\$15,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: A licensed associate real estate broker or salesperson may provide brokerage services under a trade name that has been approved by the State Real Estate Commission, and may add a trade name on a license certificate or pocket card, if the licensee submits to the commission:

- an application on a form provided by the commission;
- the license certificate and pocket card of the licensee;
- any documentation about the trade name that the commission requires; and
- a fee of \$5.

A trade name is a name other than a licensee's full legal name, and includes a first name, nickname, or last name.

The full legal name of the licensee and the approved trade name must be on the new license and pocket card.

A licensed associate broker or salesperson may not advertise unless the advertisement includes either the licensee's name or trade name, and the name of the business with which the licensee is affiliated, which must be meaningfully and conspicuously included -- by October 1, 2003 -- in a size at least as large as that of the licensee, and include the full name of the business and not a logo used by the business.

The commission may deny a license, reprimand a licensee, or suspend or revoke a license if the applicant violates provisions relating to advertising and use of trade name.

Current Law: The license certificate and pocket card for a licensed associate real estate broker or salesperson must include the full legal name of the licensee and the name of the licensed real estate broker with whom the licensee is affiliated. There are no provisions for a licensed associate broker or salesperson to include any other trade names on a certificate or pocket card.

State Fiscal Effect: There would be a one-time general fund expenditure of \$15,000 in fiscal 2003 for upgrades to electronic licensing and database software to record and track new categories of name registration. No other expenditures are projected.

There are approximately 2,700 associate brokers and 27,500 salespersons licensed in the State who would be eligible to register a trade name under this bill. If all 30,200 paid a \$5 fee to record a trade name it would generate \$151,000 in general fund revenue. At this time there are no indicators available to reliably estimate how many licensees will choose to register a trade name.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 14, 2002
mld/jr Revised - House Third Reader - April 2, 2002
Revised - Enrolled Bill - April 29, 2002

Analysis by: Mitchell J. McCalmon

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