

HOUSE BILL 1249

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C2

2004 Regular Session
(41r2442)

ENROLLED BILL

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

Introduced by **Delegates Vaughn, Impallaria, McConkey, Murray, Ramirez,
and Ross**

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.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 ~~**Business Occupations and Professions - Real Estate Licenses -**~~
3 ~~**Requirements for Licensure and Renewal**~~
4 ~~**Real Estate Licenses - Licensure and Renewal - Ethics Course**~~
5 ~~**Business Occupations and Professions - Real Estate Licenses - Requirements**~~
6 ~~**for Licensure and Renewal**~~

7 FOR the purpose of requiring an applicant for licensure as a real estate salesperson,
8 associate real estate broker, or real estate broker to take a course in real estate
9 ethics; *altering the circumstances under which a real estate licensee qualifies for*
10 *renewal of a license; authorizing certain licensees holding a license from another*
11 *state to substitute certain clock hours of continuing education instruction;*
12 *expanding the subject matter for continuing education instruction that is*
13 *approved by the State Real Estate Commission; altering the circumstances under*
14 *which a real estate licensee qualifies for renewal of a license; authorizing*
15 *certain licensees holding a license from another state to substitute certain clock*

1 hours of continuing education instruction; expanding the subject matter for
 2 continuing education instruction that is approved by the State Real Estate
 3 Commission; adding a requirement for a certain course in continuing education
 4 instruction to be offered during certain years, including a discussion of certain
 5 practices; adding a provision through which a certain licensee may otherwise
 6 satisfy the continuing education instruction requirement; requiring the
 7 Commission to create a certain list; requiring the Commission to post the list on
 8 a certain website, to provide the list to certain licensees, and to include certain
 9 information in the list; adding a provision through which a certain licensee may
 10 otherwise satisfy the continuing education instruction requirement; and
 11 generally relating to the licensure and renewal requirements for real estate
 12 licenses.

13 BY repealing and reenacting, with amendments,
 14 Article - Business Occupations and Professions
 15 Section 17-303(d), 17-305(d), and 17-315(a), ~~(b), and (c)~~ (b) and (c) (a), (b), and
 16 (c)
 17 Annotated Code of Maryland
 18 (2000 Replacement Volume and 2003 Supplement)

19 BY repealing and reenacting, without amendments,
 20 Article - Business Occupations and Professions
 21 Section 17-303(a), (b), and (c), 17-304, and 17-305(a), (b), and (c)
 22 Annotated Code of Maryland
 23 (2000 Replacement Volume and 2003 Supplement)

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

26 **Article - Business Occupations and Professions**

27 17-303.

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

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

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

32 (d) An applicant shall have completed successfully:

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

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

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

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

6 17-304.

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

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

11 (c) An applicant shall obtain, from a licensed real estate broker, a
12 commitment providing that the applicant shall become affiliated with the licensed
13 real estate broker as an associate real estate broker on the granting of an associate
14 real estate broker license to the applicant.

15 17-305.

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

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

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

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

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

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

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

30 17-315.

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

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

1 (ii) in and after the license term that begins in 1996,] COMPLETE at
2 least 15 clock hours of continuing education instruction, as provided in SUBSECTION
3 (B) OF this section, during the preceding 2-year term.

4 (2) Notwithstanding paragraph (1) of this subsection, TO QUALIFY FOR
5 RENEWAL OF A LICENSE UNDER THIS SUBTITLE:

6 (I) A LICENSEE WHO HAS BEEN LICENSED 10 YEARS OR MORE ON
7 THE DATE OF RENEWAL SHALL COMPLETE:

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

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

16 1. AT LEAST 6 CLOCK HOURS OF CONTINUING EDUCATION
17 INSTRUCTION, AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, IF THE LICENSEE
18 RENEWES THE LICENSE ON OR BEFORE OCTOBER 1, 2006;

19 2. AT LEAST 9 CLOCK HOURS OF CONTINUING EDUCATION
20 INSTRUCTION, AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, IF THE LICENSEE
21 RENEWES THE LICENSE ON OR BEFORE OCTOBER 1, 2008; OR

22 3. AT LEAST 15 CLOCK HOURS OF CONTINUING EDUCATION
23 INSTRUCTION, AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, IF THE LICENSEE
24 RENEWES THE LICENSE ON OR AFTER OCTOBER 2, 2008; OR

25 (II) A LICENSEE SHALL COMPLETE AT LEAST 7.5 CLOCK HOURS OF
26 CONTINUING EDUCATION INSTRUCTION AS PROVIDED FOR IN SUBSECTION (B) OF
27 THIS SECTION IF THE LICENSEE:

28 1. POSSESSES A GRADUATE DEGREE IN LAW FROM AN
29 ACCREDITED LAW SCHOOL; OR

30 2. POSSESSES A GRADUATE DEGREE IN REAL ESTATE FROM
31 AN ACCREDITED COLLEGE OR UNIVERSITY.

32 (3) FOR A LICENSEE WHO PROVIDES REAL ESTATE BROKERAGE
33 SERVICES SOLELY IN CONNECTION WITH NONRESIDENTIAL REAL ESTATE, OF THE
34 CLOCK HOURS REQUIRED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION, 1.5 CLOCK
35 HOURS MAY BE SATISFIED BY A COURSE REGARDING FAIR HOUSING LAWS AND
36 REGULATIONS OR THE FEDERAL AMERICANS WITH DISABILITIES ACT.

37 (4) A LICENSEE HOLDING A LICENSE FROM ANOTHER STATE MUST
38 COMPLETE AT LEAST 15 CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION

1 DURING EACH 2-YEAR LICENSE TERM AND MAY SUBSTITUTE CLOCK HOURS OF
 2 CONTINUING EDUCATION INSTRUCTION EARNED IN ANOTHER STATE, IF THOSE
 3 CLOCK HOURS:

4 (I) ARE APPROVED AS REAL ESTATE CONTINUING EDUCATION IN
 5 THAT STATE; AND

6 (II) MEET THE DISTRIBUTION REQUIREMENTS OF SUBSECTION
 7 (B)(2) OF THIS SECTION.

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

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

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

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

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

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

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

30 (H) ~~A LICENSEE MAY SATISFY THE CONTINUING EDUCATION~~
 31 ~~REQUIREMENTS AND RENEW A LICENSE FOR THE NEXT FULL TERM BY COMPLETING~~
 32 ~~7.5 CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION AS PROVIDED FOR IN~~
 33 ~~SUBSECTION (B) OF THIS SECTION IF THE LICENSEE:~~

34 1. ~~POSSESSES A GRADUATE DEGREE IN LAW FROM AN~~
 35 ~~ACCREDITED LAW SCHOOL; OR~~

36 2. ~~POSSESSES A GRADUATE DEGREE IN REAL ESTATE FROM~~
 37 ~~AN ACCREDITED COLLEGE OR UNIVERSITY.~~

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

6 (F) ARE APPROVED AS REAL ESTATE CONTINUING EDUCATION IN
 7 THAT STATE; AND

8 (H) MEET THE DISTRIBUTION REQUIREMENTS OF SUBSECTION
 9 (B)(2) OF THIS SECTION.

10 (4) THE COMMISSION SHALL GRANT THE SUBSTITUTION OF CLOCK
 11 HOURS IN PARAGRAPH (3) OF THIS SUBSECTION ONLY IF THE OTHER STATE PERMITS
 12 THE SUBSTITUTION OF CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION
 13 APPROVED BY THE COMMISSION FOR A LICENSEE OF THIS STATE.

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

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

18 (i) relate to real estate OR TO A SUBJECT MATTER INTENDED TO
 19 ASSIST A LICENSEE IN PROVIDING REAL ESTATE BROKERAGE SERVICES TO THE
 20 PUBLIC IN A MORE EFFICIENT AND EFFECTIVE MANNER, PROVIDED THAT THE
 21 SUBJECT MATTER IS RELATED TO HELPING THE PUBLIC BUY OR SELL REAL ESTATE
 22 OR TO A SUBJECT MATTER INTENDED TO ASSIST A LICENSEE IN PROVIDING REAL
 23 ESTATE BROKERAGE SERVICES TO THE PUBLIC IN A MORE EFFICIENT AND
 24 EFFECTIVE MANNER INCLUDING COURSES APPROVED BY THE COMMISSION
 25 INTENDED TO ASSIST A LICENSEE IN PROVIDING REAL ESTATE BROKERAGE
 26 SERVICES TO THE PUBLIC;

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

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

33 (IV) ~~AT AN INTERVAL TO BE DETERMINED BY THE COMMISSION,~~
 34 ~~NOT TO EXCEED 10 YEARS~~ EVERY 2 YEARS ~~EVERY 2 YEARS~~, INCLUDE AT LEAST ONE 3
 35 CLOCK HOUR ETHICS COURSE THAT INCLUDES THE MARYLAND CODE OF ETHICS
 36 AND A DISCUSSION OF THE PRACTICES OF FLIPPING AND PREDATORY LENDING.

37 (3) {The} ~~EXCEPT FOR THE~~ requirement of paragraph (2)(iii) of this
 38 subsection {does not apply to}, a licensee who provides real estate brokerage services
 39 solely in connection with nonresidential real estate ~~MAY SATISFY CONTINUING~~
 40 ~~EDUCATION REQUIREMENTS AND RENEW A LICENSE FOR THE NEXT FULL TERM BY~~

~~1 COMPLETING 15 CLOCK HOURS OF INSTRUCTION, UNLESS THE LICENSEE MEETS
2 THE REQUIREMENTS OF SUBSECTION (A)(2)(II) OF THIS SECTION.~~

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

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

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

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

8 (iii) any similar professional association; or

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

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

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

15 (i) remote access satellite;

16 (ii) closed-circuit video;

17 (iii) computer, including transmission over the Internet and the
18 World Wide Web;

19 (iv) home study; and

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That:

22 (a) The State Real Estate Commission shall create and provide a list of
23 available continuing education learning opportunities, including classes offered on the
24 Internet.

25 (b) The list created under subsection (a) of this section:

26 (1) shall be posted on the website for the State Real Estate Commission;

27 (2) shall be provided, free-of-charge, to any licensee who requests
28 information regarding continuing education learning opportunities; and

29 (3) shall include the name of the class, a contact person for the class, and
30 a contact phone number for the class.

1 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
2 effect October 1, 2004.