

SENATE BILL 561

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HB 52/02 - ECM

2004 Regular Session  
4r2472  
CF 4r2442

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By: **Senator Pinsky**

Introduced and read first time: February 6, 2004

Assigned to: Education, Health, and Environmental Affairs

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A BILL ENTITLED

1 AN ACT concerning

2                   **Business Occupations and Professions - Real Estate Licenses -**  
3                   **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  
7 for renewal of a license; authorizing certain licensees holding a license from  
8 another state to substitute certain clock hours of continuing education  
9 instruction; expanding the subject matter for continuing education instruction  
10 that is approved by the State Real Estate Commission; adding a requirement for  
11 a 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; and generally relating to the licensure and renewal  
15 requirements for real estate licenses.

16 BY repealing and reenacting, with amendments,  
17 Article - Business Occupations and Professions  
18 Section 17-303(d), 17-305(d), and 17-315(a), (b), and (c)  
19 Annotated Code of Maryland  
20 (2000 Replacement Volume and 2003 Supplement)

21 BY repealing and reenacting, without amendments,  
22 Article - Business Occupations and Professions  
23 Section 17-303(a), (b), and (c), 17-304, and 17-305(a), (b), and (c)  
24 Annotated Code of Maryland  
25 (2000 Replacement Volume and 2003 Supplement)

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

1 **Article - Business Occupations and Professions**

2 17-303.

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

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

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

7 (d) An applicant shall have completed successfully:

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

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

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

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

16 17-304.

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

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

21 (c) An applicant shall obtain, from a licensed real estate broker, a  
22 commitment providing that the applicant shall become affiliated with the licensed  
23 real estate broker as an associate real estate broker on the granting of an associate  
24 real estate broker license to the applicant.

25 17-305.

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

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

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

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

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

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

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

9 17-315.

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

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

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

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

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

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

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

32 1. POSSESSES A GRADUATE DEGREE IN LAW FROM AN  
33 ACCREDITED LAW SCHOOL; OR

34 2. POSSESSES A GRADUATE DEGREE IN REAL ESTATE FROM  
35 AN ACCREDITED COLLEGE OR UNIVERSITY.

36 (3) A LICENSEE HOLDING A LICENSE FROM ANOTHER STATE MUST  
37 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 (4) THE COMMISSION SHALL GRANT THE SUBSTITUTION OF CLOCK  
9 HOURS IN PARAGRAPH (3) OF THIS SUBSECTION ONLY IF THE OTHER STATE PERMITS  
10 THE SUBSTITUTION OF CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION  
11 APPROVED BY THE COMMISSION FOR A LICENSEE OF THIS STATE.

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

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

16 (i) relate to real estate OR TO A SUBJECT MATTER INTENDED TO  
17 ASSIST A LICENSEE IN PROVIDING REAL ESTATE BROKERAGE SERVICES TO THE  
18 PUBLIC IN A MORE EFFICIENT AND EFFECTIVE MANNER INCLUDING COURSES  
19 APPROVED BY THE COMMISSION INTENDED TO ASSIST A LICENSEE IN PROVIDING  
20 REAL ESTATE BROKERAGE SERVICES TO THE PUBLIC;

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

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

27 (IV) EVERY 2 YEARS, INCLUDE AT LEAST ONE 3 CLOCK HOUR  
28 ETHICS COURSE THAT INCLUDES THE MARYLAND CODE OF ETHICS AND A  
29 DISCUSSION OF THE PRACTICES OF FLIPPING AND PREDATORY LENDING.

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

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

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

- 1 (i) the Maryland Association of Realtors or its member boards;
- 2 (ii) the Real Estate Brokers of Baltimore [City], Inc.;
- 3 (iii) any similar professional association; or
- 4 (iv) an educational institution approved by the Commission.

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

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

- 10 (i) remote access satellite;
- 11 (ii) closed-circuit video;
- 12 (iii) computer, including transmission over the Internet and the  
13 World Wide Web;
- 14 (iv) home study; and
- 15 (v) any other delivery system approved by the Commission.

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