

SENATE BILL 561

Unofficial Copy
C2
HB 52/02 - ECM

2004 Regular Session
4lr2472
CF 4lr2442

By: **Senator Pinsky**
Introduced and read first time: February 6, 2004
Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments
Senate action: Adopted with floor amendments
Read second time: March 26, 2004

CHAPTER _____

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; requiring the Commission to create a certain list;
15 requiring the Commission to post the list on a certain website, to provide the list
16 to certain licensees, and to include certain information in the list; and generally
17 relating to the licensure and renewal requirements for real estate licenses.

18 BY repealing and reenacting, with amendments,
19 Article - Business Occupations and Professions
20 Section 17-303(d), 17-305(d), and 17-315(a), (b), and (c)
21 Annotated Code of Maryland
22 (2000 Replacement Volume and 2003 Supplement)

23 BY repealing and reenacting, without amendments,
24 Article - Business Occupations and Professions
25 Section 17-303(a), (b), and (c), 17-304, and 17-305(a), (b), and (c)

1 Annotated Code of Maryland
2 (2000 Replacement Volume and 2003 Supplement)

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

5 **Article - Business Occupations and Professions**

6 17-303.

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

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

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

11 (d) An applicant shall have completed successfully:

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

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

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

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

20 17-304.

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

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

25 (c) An applicant shall obtain, from a licensed real estate broker, a
26 commitment providing that the applicant shall become affiliated with the licensed
27 real estate broker as an associate real estate broker on the granting of an associate
28 real estate broker license to the applicant.

29 17-305.

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

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

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

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

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

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

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

12 17-315.

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

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

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

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

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

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

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

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

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

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

7 (II) A LICENSEE ~~MAY SATISFY THE CONTINUING EDUCATION~~
8 ~~REQUIREMENTS AND RENEW A LICENSE FOR THE NEXT FULL TERM BY COMPLETING~~
9 SHALL COMPLETE AT LEAST 7.5 CLOCK HOURS OF CONTINUING EDUCATION
10 INSTRUCTION AS PROVIDED FOR IN SUBSECTION (B) OF THIS SECTION IF THE
11 LICENSEE:

12 1. POSSESSES A GRADUATE DEGREE IN LAW FROM AN
13 ACCREDITED LAW SCHOOL; OR

14 2. POSSESSES A GRADUATE DEGREE IN REAL ESTATE FROM
15 AN ACCREDITED COLLEGE OR UNIVERSITY.

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

21 ~~(3)~~ (4) A LICENSEE HOLDING A LICENSE FROM ANOTHER STATE MUST
22 COMPLETE AT LEAST 15 CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION
23 DURING EACH 2-YEAR LICENSE TERM AND MAY SUBSTITUTE CLOCK HOURS OF
24 CONTINUING EDUCATION INSTRUCTION EARNED IN ANOTHER STATE, IF THOSE
25 CLOCK HOURS:

26 (I) ARE APPROVED AS REAL ESTATE CONTINUING EDUCATION IN
27 THAT STATE; AND

28 (II) MEET THE DISTRIBUTION REQUIREMENTS OF SUBSECTION
29 (B)(2) OF THIS SECTION.

30 ~~(4)~~ (5) THE COMMISSION SHALL GRANT THE SUBSTITUTION OF CLOCK
31 HOURS IN PARAGRAPH ~~(3)~~ (4) OF THIS SUBSECTION ONLY IF THE OTHER STATE
32 PERMITS THE SUBSTITUTION OF CLOCK HOURS OF CONTINUING EDUCATION
33 INSTRUCTION APPROVED BY THE COMMISSION FOR A LICENSEE OF THIS STATE.

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

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

1 (i) relate to real estate OR TO A SUBJECT MATTER INTENDED TO
 2 ASSIST A LICENSEE IN PROVIDING REAL ESTATE BROKERAGE SERVICES TO THE
 3 PUBLIC IN A MORE EFFICIENT AND EFFECTIVE MANNER ~~INCLUDING COURSES~~
 4 ~~APPROVED BY THE COMMISSION INTENDED TO ASSIST A LICENSEE IN PROVIDING~~
 5 ~~REAL ESTATE BROKERAGE SERVICES TO THE PUBLIC, PROVIDED THAT THE SUBJECT~~
 6 ~~MATTER IS RELATED TO HELPING THE PUBLIC BUY OR SELL REAL ESTATE;~~

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

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

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

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

22 (3) THE REQUIREMENT OF PARAGRAPH (2)(III) OF THIS SUBSECTION
 23 DOES NOT APPLY TO A LICENSEE WHO PROVIDES REAL ESTATE BROKERAGE
 24 SERVICES SOLELY IN CONNECTION WITH NONRESIDENTIAL REAL ESTATE.

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

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

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

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

30 (iii) any similar professional association; or

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

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

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

- 1 (i) remote access satellite;
- 2 (ii) closed-circuit video;
- 3 (iii) computer, including transmission over the Internet and the
4 World Wide Web;
- 5 (iv) home study; and
- 6 (v) any other delivery system approved by the Commission.

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

8 (a) The State Real Estate Commission shall create and provide a list of
9 available continuing education ~~distance~~ learning opportunities, including classes
10 offered on the Internet.

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

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

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

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

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