

ENROLLED BILL

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

Introduced by **Delegates Krebs, Feldman, McConkey, and McComas**

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 **State Real Estate Commission - Special Fund - Fees**

3 FOR the purpose of establishing the State Real Estate Commission Fund as a special,
4 nonlapsing fund in the Department of Labor, Licensing, and Regulation;
5 requiring that the Fund be used for certain purposes; providing for an audit of
6 the Fund; requiring the Secretary of Labor, Licensing, and Regulation or a
7 designee of the Secretary to administer the Fund; requiring the Secretary, in
8 consultation with the State Real Estate Commission, to annually calculate
9 certain costs; authorizing the Commission, as of a certain date, to set certain
10 fees based on certain calculations; ~~excluding certain costs from the calculation of~~
11 ~~the direct and indirect costs of the Commission;~~ requiring the Commission to
12 publish a certain fee schedule; repealing a provision of law requiring the
13 Commission to pay certain money into the General Fund of the State; requiring
14 the Commission to pay certain fees to the Comptroller on or after a certain date;
15 requiring the Comptroller to distribute certain fees to the Fund; ~~requiring any~~
16 ~~unspent portion of the Fund in excess of a certain amount to revert to the~~
17 ~~General Fund of the State at the end of each fiscal year beginning on a certain~~

1 ~~date~~; prohibiting certain fees from increasing by more than a certain amount
 2 each year; ~~providing that a certain reversion of funds shall occur on or before a~~
 3 ~~certain date~~; altering certain fees; defining certain terms; providing for a delayed
 4 effective date; and generally relating to the State Real Estate Commission Fund.

5 BY repealing and reenacting, with amendments,

6 Article - Business Occupations and Professions

7 Section 17-211(c), 17-306(d), 17-307(a)(4), 17-311(c)(5), 17-312(g)(5),

8 17-313(j)(4), 17-314(e)(2) and (g)(4), 17-316(e), 17-317(b)(2) and (c)(2),

9 and 17-318(a)(4)

10 Annotated Code of Maryland

11 (2004 Replacement Volume and 2004 Supplement)

12 BY repealing

13 Article - Business Occupations and Professions

14 Section 17-213

15 Annotated Code of Maryland

16 (2004 Replacement Volume and 2004 Supplement)

17 BY adding to

18 Article - Business Occupations and Professions

19 Section 17-213

20 Annotated Code of Maryland

21 (2004 Replacement Volume and 2004 Supplement)

22 BY adding to

23 Article - Business Regulation

24 Section 2-106.3 and 2-106.4

25 Annotated Code of Maryland

26 (2004 Replacement Volume)

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

28 MARYLAND, That the Laws of Maryland read as follows:

29 **Article - Business Occupations and Professions**

30 17-211.

31 (c) The Commission shall collect a fee [of \$10] SET BY THE COMMISSION for

32 each certification under this section.

33 [17-213.

34 Except as otherwise provided by law, the Commission shall pay all money

35 collected under this title into the General Fund of the State.]

1 17-213.

2 (A) (1) BEGINNING ON ~~OR AFTER~~ JULY 1, ~~2006~~ 2007, THE COMMISSION MAY
3 SET BY REGULATION REASONABLE FEES FOR ITS SERVICES.

4 (2) THE FEES CHARGED SHALL BE:

5 (I) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF
6 MAINTAINING THE COMMISSION; AND

7 (II) BASED ON THE CALCULATIONS PERFORMED BY THE
8 SECRETARY OF LABOR, LICENSING, AND REGULATION UNDER § 2-106.4 OF THE
9 BUSINESS REGULATION ARTICLE.

10 (B) THE COMMISSION SHALL PUBLISH THE FEE SCHEDULE SET BY THE
11 COMMISSION.

12 (C) (1) BEGINNING ON ~~OR AFTER JUNE 30, 2005~~ JULY 1, 2006, THE
13 COMMISSION SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE
14 COMPTROLLER.

15 (2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE STATE
16 REAL ESTATE COMMISSION FUND ESTABLISHED IN § 2-106.3 OF THE BUSINESS
17 REGULATION ARTICLE.

18 17-306.

19 (d) *To take an examination, an applicant shall pay:*

20 (1) *to the Commission, [a \$10] AN examination fee SET BY THE*
21 *COMMISSION; and*

22 (2) *to the Commission or a testing service chosen by the Commission, an*
23 *amount covering the cost of the examination.*

24 17-307.

25 (a) *An applicant for a license:*

26 (4) *shall pay to the Commission [an application] A fee [of:*

27 (i) *\$95 for a real estate broker license;*

28 (ii) *\$65 for an associate real estate broker license; or*

29 (iii) *\$45 for a real estate salesperson license] SET BY THE*

30 *COMMISSION; and*

1 17-311.

2 (c) To transfer affiliation under this section, a qualified real estate salesperson
3 or associate real estate broker shall:

4 (5) pay to the Commission a transfer fee [of \$10] SET BY THE
5 COMMISSION.

6 17-312.

7 (g) To exchange a license for another license, a qualified licensee shall:

8 (5) pay to the Commission an application fee [of:

9 (i) \$95 for a real estate broker license;

10 (ii) \$65 for an associate real estate broker license; or

11 (iii) \$45 for a real estate salesperson license] SET BY THE
12 COMMISSION; and

13 17-313.

14 (j) To obtain an additional license, a qualified licensee shall:

15 (4) pay to the Commission an application fee [of:

16 (i) \$95 for a real estate broker license;

17 (ii) \$65 for an associate real estate broker license; or

18 (iii) \$45 for a real estate salesperson license] SET BY THE
19 COMMISSION; and

20 17-314.

21 (e) Before a license expires, the licensee periodically may renew it for an
22 additional 2-year term, if the licensee:

23 (2) pays to the Commission a renewal fee [of:

24 (i) \$95 for a real estate broker license;

25 (ii) \$65 for an associate real estate broker license; or

26 (iii) \$45 for a real estate salesperson license] SET BY THE
27 COMMISSION;

28 (g) The Commission shall reinstate the license of a licensee under this title
29 whose license has expired if the licensee:

30 (4) pays to the Commission[:

- 1 (i) all past due renewal fees; and
- 2 (ii)] a reinstatement fee [of \$100] SET BY THE COMMISSION.
- 3 17-316.

4 (e) (1) The Commission shall reactivate the license of a real estate broker
5 that is on inactive status and reissue a license certificate and pocket card to the broker
6 if the broker:

- 7 (i) requests that the license be reactivated;
- 8 (ii) pays to the Commission a reissuance fee [of \$10] SET BY THE
9 COMMISSION; and
- 10 (iii) meets the continuing education requirements that would have
11 been required for renewal of a license under § 17-315 of this subtitle if the license had
12 not been on inactive status.

13 (2) The Commission shall reactivate the license of an associate real estate
14 broker or a real estate salesperson that is on inactive status and reissue a license
15 certificate and pocket card to the associate broker or salesperson if the associate broker
16 or salesperson:

- 17 (i) requests that the license be reactivated;
- 18 (ii) pays to the Commission a reissuance fee [of \$10] SET BY THE
19 COMMISSION;
- 20 (iii) meets the continuing education requirements that would have
21 been required for renewal of a license under § 17-315 of this subtitle if the license had
22 not been on inactive status; and

23 (iv) submits to the Commission adequate evidence that the associate
24 broker or salesperson has obtained, from a licensed real estate broker, a commitment
25 providing that the associate broker or salesperson shall become affiliated with the
26 broker as an associate real estate broker or a real estate salesperson on reactivation of
27 the license of the associate broker or salesperson.

28 17-317.

29 (b) (2) To receive a duplicate license certificate, the licensee shall submit to
30 the Commission:

- 31 (i) an affidavit stating that the license certificate has been lost or
32 destroyed; and
- 33 (ii) a fee [of \$5] SET BY THE COMMISSION.

34 (c) (2) To receive a duplicate pocket card, the licensee shall submit to the
35 Commission:

1 (i) an affidavit stating that the pocket card has been lost or
2 destroyed; and

3 (ii) a fee [of \$1] SET BY THE COMMISSION.

4 17-318.

5 (a) To change the name of a licensee or a firm on a license certificate and pocket
6 card, a licensee shall submit to the Commission:

7 (4) a fee [of \$5] SET BY THE COMMISSION.

8 **Article - Business Regulation**

9 2-106.3.

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (2) "COMMISSION" MEANS THE STATE REAL ESTATE COMMISSION.

13 (3) "FUND" MEANS THE STATE REAL ESTATE COMMISSION FUND.

14 (B) (1) THERE IS A STATE REAL ESTATE COMMISSION FUND IN THE
15 DEPARTMENT.

16 (2) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT
17 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

18 (C) THE FUND CONSISTS OF FEES COLLECTED BY THE COMMISSION AND
19 DISTRIBUTED TO THE FUND UNDER § 17-213 OF THE BUSINESS OCCUPATIONS AND
20 PROFESSIONS ARTICLE.

21 (D) ~~(+)~~ THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED
22 DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY
23 DUTIES OF THE COMMISSION.

24 ~~(2) THE FOLLOWING COSTS MAY NOT BE INCLUDED IN THE DIRECT AND~~
25 ~~INDIRECT COSTS OF THE COMMISSION BUT SHALL BE PAID FROM THE GENERAL~~
26 ~~FUND OF THE STATE:~~

27 ~~(f) THE COSTS OF THE OFFICE OF ADMINISTRATIVE HEARINGS~~
28 ~~THAT ARE ATTRIBUTABLE TO CASES REFERRED BY THE COMMISSION; AND~~

29 ~~(H) CAPITAL EXPENSES RELATED TO THE IMPLEMENTATION AND~~
30 ~~ENHANCEMENT OF ELECTRONIC LICENSING CAPABILITIES.~~

31 (E) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL ADMINISTER
32 THE FUND.

1 (F) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND
2 TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT
3 ARTICLE.

4 (G) ~~(1) AT THE END OF EACH FISCAL YEAR, BEGINNING ON JUNE 30, 2006~~
5 ~~2007, ANY UNSPENT PORTION OF THE FUND IN EXCESS OF 10% OF THAT YEAR'S~~
6 ~~DOCUMENTED DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE COMMISSION~~
7 ~~SHALL REVERT TO THE GENERAL FUND OF THE STATE.~~

8 ~~(2) THE REVERSION OF FUNDS PROVIDED FOR IN PARAGRAPH (1) OF~~
9 ~~THIS SUBSECTION SHALL OCCUR ON OR BEFORE OCTOBER 1 OF THE FOLLOWING~~
10 ~~FISCAL YEAR TO ALLOW THE DEPARTMENT TO FULLY ACCOUNT FOR THE~~
11 ~~COMMISSION'S DIRECT AND INDIRECT COSTS.~~

12 2-106.4.

13 (A) IN THIS SECTION, "COMMISSION" MEANS THE STATE REAL ESTATE
14 COMMISSION.

15 (B) IN CONSULTATION WITH THE COMMISSION, THE SECRETARY SHALL
16 ANNUALLY CALCULATE THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE
17 COMMISSION.

18 (C) BEGINNING ON JULY 1, ~~2006~~ 2007, THE COMMISSION SHALL ESTABLISH
19 FEES BASED ON THE CALCULATIONS PROVIDED BY THE SECRETARY UNDER THIS
20 SECTION.

21 (D) EACH FEE ESTABLISHED BY THE COMMISSION MAY NOT BE INCREASED
22 ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF
23 THE COMMISSION.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, ~~2005~~ 2006.