

---

By: **Delegates Krebs, Feldman, McConkey, and McComas**

Introduced and read first time: February 10, 2005

Assigned to: Economic Matters

---

A BILL ENTITLED

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  
18 date; prohibiting certain fees from increasing by more than a certain amount  
19 each year; providing that a certain reversion of funds shall occur on or before a  
20 certain date; defining certain terms; and generally relating to the State Real  
21 Estate Commission Fund.

22 BY repealing

23 Article - Business Occupations and Professions  
24 Section 17-213  
25 Annotated Code of Maryland  
26 (2004 Replacement Volume and 2004 Supplement)

27 BY adding to

28 Article - Business Occupations and Professions  
29 Section 17-213  
30 Annotated Code of Maryland  
31 (2004 Replacement Volume and 2004 Supplement)

1 BY adding to  
2 Article - Business Regulation  
3 Section 2-106.3 and 2-106.4  
4 Annotated Code of Maryland  
5 (2004 Replacement Volume)

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

8 **Article - Business Occupations and Professions**

9 [17-213.

10 Except as otherwise provided by law, the Commission shall pay all money  
11 collected under this title into the General Fund of the State.]

12 17-213.

13 (A) (1) BEGINNING ON OR AFTER JULY 1, 2006, THE COMMISSION MAY SET  
14 BY REGULATION REASONABLE FEES FOR ITS SERVICES.

15 (2) THE FEES CHARGED SHALL BE:

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

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

21 (B) THE COMMISSION SHALL PUBLISH THE FEE SCHEDULE SET BY THE  
22 COMMISSION.

23 (C) (1) BEGINNING ON OR AFTER JUNE 30, 2005, THE COMMISSION SHALL  
24 PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.

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

28 **Article - Business Regulation**

29 2-106.3.

30 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
31 INDICATED.

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

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

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

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

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

8 (D) (1) THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED  
9 DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY  
10 DUTIES OF THE COMMISSION.

11 (2) THE FOLLOWING COSTS MAY NOT BE INCLUDED IN THE DIRECT AND  
12 INDIRECT COSTS OF THE COMMISSION BUT SHALL BE PAID FROM THE GENERAL  
13 FUND OF THE STATE:

14 (I) THE COSTS OF THE OFFICE OF ADMINISTRATIVE HEARINGS  
15 THAT ARE ATTRIBUTABLE TO CASES REFERRED BY THE COMMISSION; AND

16 (II) CAPITAL EXPENSES RELATED TO THE IMPLEMENTATION AND  
17 ENHANCEMENT OF ELECTRONIC LICENSING CAPABILITIES.

18 (E) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL ADMINISTER  
19 THE FUND.

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

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

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

31 2-106.4.

32 (A) IN THIS SECTION, "COMMISSION" MEANS THE STATE REAL ESTATE  
33 COMMISSION.

34 (B) IN CONSULTATION WITH THE COMMISSION, THE SECRETARY SHALL  
35 ANNUALLY CALCULATE THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE  
36 COMMISSION.

1 (C) BEGINNING ON JULY 1, 2006, THE COMMISSION SHALL ESTABLISH FEES  
2 BASED ON THE CALCULATIONS PROVIDED BY THE SECRETARY UNDER THIS  
3 SECTION.

4 (D) EACH FEE ESTABLISHED BY THE COMMISSION MAY NOT BE INCREASED  
5 ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF  
6 THE COMMISSION.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
8 July 1, 2005.