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

Introduced and read first time: February 10, 2005

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 29, 2005

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
 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; providing for a delayed effective date; and
 21 generally relating to the State Real 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)

1 BY adding to
2 Article - Business Occupations and Professions
3 Section 17-213
4 Annotated Code of Maryland
5 (2004 Replacement Volume and 2004 Supplement)

6 BY adding to
7 Article - Business Regulation
8 Section 2-106.3 and 2-106.4
9 Annotated Code of Maryland
10 (2004 Replacement Volume)

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

13 **Article - Business Occupations and Professions**

14 [17-213.

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

17 17-213.

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

20 (2) THE FEES CHARGED SHALL BE:

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

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

26 (B) THE COMMISSION SHALL PUBLISH THE FEE SCHEDULE SET BY THE
27 COMMISSION.

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

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

Article - Business Regulation

1
2 2-106.3.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

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

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

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

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

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

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

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

20 ~~(+)~~ ~~THE COSTS OF THE OFFICE OF ADMINISTRATIVE HEARINGS~~
21 ~~THAT ARE ATTRIBUTABLE TO CASES REFERRED BY THE COMMISSION; AND~~

22 ~~(+)~~ ~~CAPITAL EXPENSES RELATED TO THE IMPLEMENTATION AND~~
23 ~~ENHANCEMENT OF ELECTRONIC LICENSING CAPABILITIES.~~

24 (E) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL ADMINISTER
25 THE FUND.

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

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

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

1 2-106.4.

2 (A) IN THIS SECTION, "COMMISSION" MEANS THE STATE REAL ESTATE
3 COMMISSION.

4 (B) IN CONSULTATION WITH THE COMMISSION, THE SECRETARY SHALL
5 ANNUALLY CALCULATE THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE
6 COMMISSION.

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

10 (D) EACH FEE ESTABLISHED BY THE COMMISSION MAY NOT BE INCREASED
11 ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF
12 THE COMMISSION.

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