

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 384

(Senator Middleton)

Education, Health, and Environmental Affairs

Economic Matters

Licensed Real Estate Brokers - Branch Offices - Managers

This bill provides that a licensed real estate salesperson may serve as the manager of a real estate branch office if the salesperson has: (1) successfully completed a course in real estate for brokers approved by the State Real Estate Commission; and (2) passed the real estate broker's examination given by the State Real Estate Commission. However, prior to taking the real estate broker's examination, the real estate salesperson must submit to the commission a commitment from the real estate broker who is proposing to engage the salesperson as a branch office manager.

Fiscal Summary

State Effect: Minimal operational effect on the State Real Estate Commission, which could be absorbed within existing budgeted resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Real estate brokers are required to designate a manager for each branch office of the broker. The manager is required to be a licensed associate real estate broker or a licensed real estate salesperson who has at least three years' experience providing real estate brokerage services.

Background: To qualify for a real estate salesperson license, an applicant must: (1) be of good character and reputation; (2) be at least 18 years old; (3) successfully complete specified course work; (4) pass an examination given by the commission; (5) obtain, from a licensed real estate broker, a commitment providing that the applicant will become affiliated with the licensed real estate broker as a real estate salesperson on the granting of a real estate salesperson license to the applicant; and (6) meet any other requirement that the commission establishes.

Under the bill, real estate salespersons with less than three years experience would have to successfully complete the 135-hour real estate broker's course of study and pass the real estate broker licensing exam in order to become qualified to be a real estate office branch manager.

State Fiscal Effect: The State Real Estate Commission would have to alter its licensing records to account for the new branch office manager classification which would require some minor computer reprogramming. Any costs associated with this change could be absorbed within existing budgeted resources.

Additional Information

Prior Introductions: HB 1037 of 2005, an identical bill, had a hearing in the House Economic Matters Committee, but no further action was taken.

Cross File: HB 715 (Delegate Minnick, *et al.*) – Economic Matters.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

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