

SENATE BILL 762

C2

8lr2618
CF 8lr2440

By: **Senator Conway**

Introduced and read first time: February 1, 2008

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Real Estate Brokers – Record Keeping**

3 FOR the purpose of requiring a real estate broker to retain certain records for a
4 certain period of time; authorizing a broker to store records in a certain manner
5 under certain circumstances; requiring a real estate broker to make certain
6 records available to the State Real Estate Commission; and generally relating to
7 record keeping requirements for real estate brokers.

8 BY repealing and reenacting, without amendments,
9 Article – Business Occupations and Professions
10 Section 17–101(a), (d), and (n) and 17–508
11 Annotated Code of Maryland
12 (2004 Replacement Volume and 2007 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Business Occupations and Professions
15 Section 17–507
16 Annotated Code of Maryland
17 (2004 Replacement Volume and 2007 Supplement)

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

20 **Article – Business Occupations and Professions**
21 17–101.

22 (a) In this title the following words have the meanings indicated.

23 (d) “Commission” means the State Real Estate Commission.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (n) "Real estate broker" means an individual who provides real estate
2 brokerage services.

3 17-507.

4 (A) Each real estate broker shall maintain all records of trust money in a
5 secured area within the office of the broker.

6 (B) (1) **EACH REAL ESTATE BROKER SHALL RETAIN COPIES OF:**

7 (I) **LISTINGS;**

8 (II) **DEPOSIT RECEIPTS;**

9 (III) **CANCELED CHECKS;**

10 (IV) **TRUST RECORDS; AND**

11 (V) **ANY OTHER DOCUMENT EXECUTED OR OBTAINED BY**
12 **THE BROKER IN CONNECTION WITH A TRANSACTION FOR WHICH A REAL ESTATE**
13 **BROKER LICENSE IS REQUIRED, INCLUDING ANY ELECTRONIC SIGNATURE**
14 **CONTAINED ON A DOCUMENT.**

15 (2) **A BROKER SHALL KEEP THE RECORDS REQUIRED BY THIS**
16 **SECTION FOR 3 YEARS, STARTING ON THE DATE OF THE CLOSING OF A REAL**
17 **ESTATE TRANSACTION, OR, IF THE TRANSACTION IS NOT CLOSED, 3 YEARS**
18 **AFTER THE DATE OF THE LISTING.**

19 (C) **FOR ANY RECORD REQUIRED TO BE STORED UNDER SUBSECTION**
20 **(B) OF THIS SECTION, A REAL ESTATE BROKER MAY RETAIN AN ELECTRONIC**
21 **RECORD OF THE INFORMATION IF:**

22 (1) **THE STORED RECORD CANNOT BE ERASED OR EDITED;**

23 (2) **THE STORED RECORD IS MADE OR PRESERVED AS PART OF,**
24 **AND IN THE REGULAR COURSE OF, THE BROKER'S BUSINESS;**

25 (3) **THE ORIGINAL RECORD FROM WHICH THE STORED RECORD**
26 **WAS COPIED WAS MADE OR PREPARED BY THE BROKER OR THE BROKER'S**
27 **EMPLOYEES AT OR NEAR THE TIME OF THE ACTIVITY DESCRIBED IN THE**
28 **RECORD;**

1 **(4) THE CUSTODIAN OF THE RECORD IS ABLE TO IDENTIFY THE**
2 **STORED RECORD, THE MODE OF ITS PREPARATION, AND THE MODE OF**
3 **STORAGE; AND**

4 **(5) THE ELECTRONIC STORAGE SYSTEM CONTAINS A RELIABLE**
5 **INDEXING SYSTEM THAT PROVIDES:**

6 **(I) CONVENIENT ACCESS TO THE DOCUMENT OR RECORD;**

7 **(II) APPROPRIATE QUALITY CONTROL OF THE STORAGE**
8 **PROCESS; AND**

9 **(III) CHRONOLOGICAL ARRANGEMENT OF STORED**
10 **DOCUMENTS OR RECORDS.**

11 **(D) (1) ON REASONABLE NOTICE FROM THE COMMISSION, A BROKER**
12 **SHALL ALLOW A REPRESENTATIVE OF THE COMMISSION TO ENTER THE**
13 **BROKER'S PLACE OF BUSINESS DURING BUSINESS HOURS TO INSPECT A**
14 **RECORD REQUIRED TO BE MAINTAINED UNDER THIS SECTION.**

15 **(2) THE BROKER SHALL PROVIDE, AT THE BROKER'S EXPENSE, A**
16 **PAPER COPY OF ANY DOCUMENT OR RECORD REQUESTED BY THE COMMISSION.**

17 17-508.

18 In addition to being subject to disciplinary action under §§ 17-322 and 17-328
19 of this title, a real estate broker, an associate real estate broker, or a real estate
20 salesperson who violates any provision of this Part I of this subtitle is subject to any
21 other civil or criminal action provided by law.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2008.