

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 648

(Delegate Riley, *et al.*)

Economic Matters

Finance

Business Regulation - Boat Sales

This bill requires a boat broker to place trust money received in anticipation of a boat purchase in a trust account until disbursed to the beneficial owner at purchase. If the purchase is not completed, the trust money must be returned to the purchaser.

Fiscal Summary

State Effect: This bill pertains to private-sector activities and is not expected to materially affect State finances or operations.

Local Effect: None.

Small Business Effect: Potential minimal for boat brokers.

Analysis

Current Law: State law does not establish transaction requirements for boat brokers who receive trust money in anticipation of a boat purchase.

A real estate broker who receives trust money while providing real estate brokerage services is required to deposit trust money within seven days in a separate account maintained solely for trust money. In general, the broker must maintain trust money until the real estate transaction is complete or the broker is directed by the owner and beneficial owner to withdraw or otherwise distribute the trust money. The broker is required to notify both parties that he/she intends to distribute the trust money before

disbursing funds. Records of trust money transactions must be kept in a secure area in the broker's office. Penalties exist for noncompliance with these requirements.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 6, 2008
mll/ljm

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