

# HOUSE BILL 1411

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By: **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Introduced and read first time: February 25, 2009

Assigned to: Rules and Executive Nominations

Re-referred to: Economic Matters, March 2, 2009

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 30, 2009

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Department of Labor, Licensing, and Regulation – Maryland Real Estate**  
3 **Commission – Continuing Education**

4 FOR the purpose of ~~requiring additional continuing education course hours for the~~  
5 ~~renewal of certain real estate licenses~~, repealing certain exceptions for certain  
6 real estate licensees who have been licensed a certain minimum number of  
7 years; altering certain continuing education requirements for a licensee who  
8 possesses a certain graduate degree; altering the criteria for the Maryland Real  
9 Estate Commission to use in selecting subject matter for continuing education  
10 courses; granting the Commission the authority to charge certain fees; and  
11 generally relating to continuing education for real estate licensees.

12 BY repealing and reenacting, with amendments,  
13 Article – Business Occupations and Professions  
14 Section 17–315  
15 Annotated Code of Maryland  
16 (2004 Replacement Volume and 2008 Supplement)

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

19 **Article – Business Occupations and Professions**

20 17–315.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) (1) To qualify for renewal of a license under this subtitle, ~~fa licensee~~  
 2 ~~AN ASSOCIATE REAL ESTATE BROKER OR REAL ESTATE SALESPERSON~~ shall  
 3 complete at least 15 clock hours of continuing education instruction, as provided in  
 4 subsection (b) of this section, during the preceding 2-year term.

5 [(2) Notwithstanding paragraph (1) of this subsection, to qualify for  
 6 renewal of a license under this subtitle:

7 (i) a licensee who has been licensed 10 years or more on the  
 8 date of renewal shall complete:

9 1. at least 6 clock hours of continuing education  
 10 instruction, as provided in subsection (b) of this section, if the licensee renews the  
 11 license on or before October 1, 2006;

12 2. at least 9 clock hours of continuing education  
 13 instruction, as provided in subsection (b) of this section, if the licensee renews the  
 14 license on or before October 1, 2008; or

15 3. at least 15 clock hours of continuing education  
 16 instruction, as provided in subsection (b) of this section, if the licensee renews the  
 17 license on or after October 2, 2008; or]

18 ~~(2) TO QUALIFY FOR RENEWAL OF A LICENSE UNDER THIS~~  
 19 ~~SUBTITLE, A REAL ESTATE BROKER SHALL COMPLETE AT LEAST 18 CLOCK~~  
 20 ~~HOURS OF CONTINUING EDUCATION INSTRUCTION, AS PROVIDED IN~~  
 21 ~~SUBSECTION (B) OF THIS SECTION, DURING THE PRECEDING 2-YEAR TERM.~~

22 ~~(3) (2) NOTWITHSTANDING PARAGRAPHS (1) AND (2)~~  
 23 ~~PARAGRAPH (1) OF THIS SUBSECTION,~~

24 [(ii)] a licensee shall complete at least [7.5] **10.5** clock hours of  
 25 continuing education instruction as provided for in subsection (b) of this section if the  
 26 licensee:

27 [1.] (I) possesses a graduate degree in law from an  
 28 accredited law school; or

29 [2.] (II) possesses a graduate degree in real estate from  
 30 an accredited college or university.

31 ~~[(3)] (4)~~ For a licensee who provides real estate brokerage services  
 32 solely in connection with nonresidential real estate, of the clock hours required under  
 33 paragraph [(2)(i)] (1) ~~OR (2)~~ of this subsection, 1.5 clock hours may be satisfied by a

1 course regarding fair housing laws and regulations or the federal Americans with  
2 Disabilities Act.

3 ~~[(4)] (5)~~ A licensee holding a license from another state must  
4 complete at least [15 clock hours] **THE NUMBER OF CLOCK HOURS** of continuing  
5 education instruction **REQUIRED UNDER PARAGRAPHS (1) AND (2) PARAGRAPH**  
6 **(1) OF THIS SUBSECTION** during each 2-year license term and may substitute clock  
7 hours of continuing education instruction earned in another state, if those clock hours:

8 (i) are approved as real estate continuing education in that  
9 state; and

10 (ii) meet the distribution requirements of subsection (b)(2) of  
11 this section.

12 ~~[(5)] (6)~~ The Commission shall grant the substitution of clock hours  
13 in paragraph ~~[(4)] (5)~~ of this subsection only if the other state permits the substitution  
14 of clock hours of continuing education instruction approved by the Commission for a  
15 licensee of this State.

16 (b) (1) The Commission shall approve the form, substance, and, as  
17 provided under paragraph (2) of this subsection, subject matter of all continuing  
18 education courses.

19 (2) The subject matter approved by the Commission shall:

20 (i) relate to real estate or to a subject matter intended to assist  
21 a licensee in providing real estate brokerage services to the public in a more efficient  
22 and effective manner, provided that the subject matter is related to helping the public  
23 buy or sell real estate;

24 (ii) every 2 years, include at least one 3 clock hour course that  
25 outlines relevant changes that have occurred in federal, State, or local laws and  
26 regulations, or any combination of those laws and regulations;

27 (iii) every 2 years, include at least one 1.5 clock hour course that  
28 outlines federal, State, and local fair housing laws and regulations, including fair  
29 housing advertising; [and]

30 (iv) every 2 years, include at least one 3 clock hour ethics course  
31 that includes the Maryland Code of Ethics and a discussion of the practices of flipping  
32 and predatory lending;

33 **(V) EVERY 2 YEARS, INCLUDE AT LEAST ONE 3 CLOCK HOUR**  
34 **COURSE THAT INCLUDES THE PRINCIPLES OF AGENCY AND AGENCY**  
35 **DISCLOSURE; AND**

1                   (VI) EVERY 2 YEARS FOR THE RENEWAL OF A REAL ESTATE  
2 **BROKER LICENSE AND THE RENEWAL OF THE LICENSE OF AN INDIVIDUAL**  
3 **DESIGNATED AS A BRANCH OFFICE MANAGER OR A TEAM LEADER, INCLUDE AT**  
4 **LEAST ONE 3 CLOCK HOUR COURSE THAT INCLUDES THE REQUIREMENTS OF**  
5 **BROKER SUPERVISION.**

6                   (3) The requirement of paragraph (2)(iii) of this subsection does not  
7 apply to a licensee who provides real estate brokerage services solely in connection  
8 with nonresidential real estate.

9                   (4) To be acceptable for credit as a continuing education course under  
10 this section, the course shall cover 1 or more topics approved by the Commission.

11           (c)   (1) Continuing education courses may be conducted by:

12                   (i) the Maryland Association of Realtors or its member boards;

13                   (ii) the Real Estate Brokers of Baltimore, Inc.;

14                   (iii) any similar professional association; or

15                   (iv) an educational institution approved by the Commission.

16                   (2) Continuing education courses shall be taught by a qualified  
17 instructor who is experienced in the real estate industry.

18                   (3) On or before January 1, 2003, the Commission shall adopt  
19 regulations that provide for the conduct of continuing education instruction courses by:

20                   (i) remote access satellite;

21                   (ii) closed-circuit video;

22                   (iii) computer, including transmission over the Internet and the  
23 World Wide Web;

24                   (iv) home study; and

25                   (v) any other delivery system approved by the Commission.

26                   (d) If feasible, continuing education courses shall be offered at reasonable  
27 intervals in each county and in each major geographic area of the larger counties.

28                   (e)   (1) On completion of a continuing education course by a licensee, the  
29 entity that conducted the course or the instructor shall issue to the licensee a  
30 certificate of completion that states the number of clock hours of that course.

1           (2) The Commission shall accept as evidence of completion of a  
2 continuing education course the certificate of completion, a photocopy of the certificate,  
3 an electronic mail certificate, or a photocopy of an electronic mail certificate.

4           (f) The Commission may waive the requirements of this section for a  
5 licensee if the licensee shows good cause for being unable to meet the requirements.

6           **(G) THE COMMISSION MAY SET A CONTINUING EDUCATION COURSE**  
7 **APPLICATION FEE TO BE PAID BY THE COURSE PROVIDER.**

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2009.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.