

SENATE BILL 1019

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0lr3446
CF 0lr3448

By: **Senator Kelley**

Introduced and read first time: February 24, 2010

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Real Estate Settlements – Disclosures**

3 FOR the purpose of requiring a person who has a connection with the settlement of
4 real estate transactions involving land in the State to comply with certain
5 federal disclosure requirements; and generally relating to real estate
6 settlements.

7 BY repealing and reenacting, with amendments,
8 Article – Real Property
9 Section 14–127
10 Annotated Code of Maryland
11 (2003 Replacement Volume and 2009 Supplement)

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

14 **Article – Real Property**

15 14–127.

16 (a) (1) In this section the following words have the meanings indicated.

17 (2) “Certificate of qualification” has the meaning stated in § 10–101 of
18 this article.

19 (3) “Consideration” includes:

20 (i) A fee;

21 (ii) Compensation;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (iii) A gift, except promotional or advertising materials for
2 general distribution;

3 (iv) A thing of value;

4 (v) A rebate;

5 (vi) A loan; or

6 (vii) An advancement of a commission or deposit money.

7 (b) This section does not prohibit:

8 (1) The payment of a commission to an agent who has a certificate of
9 qualification; or

10 (2) The referral of a real estate settlement business or a professional
11 fee arrangement between attorneys, if the referral or professional fee arrangement
12 does not violate § 17–605 of the Business Occupations and Professions Article.

13 (c) A person who has a connection with the settlement of real estate
14 transactions involving land in the State may not pay to or receive from another any
15 consideration to solicit, obtain, retain, or arrange real estate settlement business.

16 **(D) A PERSON WHO HAS A CONNECTION WITH THE SETTLEMENT OF**
17 **REAL ESTATE TRANSACTIONS INVOLVING LAND IN THE STATE SHALL COMPLY**
18 **WITH 12 U.S.C. § 2607(C)(4), 24 C.F.R. 3500.15, AND APPENDIX D TO 24 C.F.R.**
19 **PART 3500 REGARDING DISCLOSURES OF AFFILIATED BUSINESS**
20 **ARRANGEMENTS, AS DEFINED IN 12 U.S.C. § 2602.**

21 **[(d)] (E)** A person who violates this section is guilty of a misdemeanor and
22 on conviction is subject to imprisonment not exceeding 6 months or a fine not
23 exceeding \$1,000 or both.

24 **[(e)] (F)** Each violation of this section is a separate violation.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2010.