

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 1049
Economic Matters

(Delegate Vaughn, *et al.*)
Education, Health, and Environmental Affairs

Real Estate Brokers - Intracompany Agents

This bill specifies that a designee of a real estate broker, in addition to the real estate broker, may designate two members of a real estate sales team as intracompany agents for the seller and the buyer in the same transaction under certain circumstances. However, a designee of a broker who designates intracompany agents may not be a member of that real estate sales team.

Fiscal Summary

State Effect: None. The change is procedural in nature and does not directly affect governmental finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapter 670 of 2010 established requirements for the provision of real estate services through teams of licensed real estate agents. Two or more associate real estate brokers or licensed real estate salespersons operate as a team when they:

- work together on a regular basis to provide real estate brokerage services;
- represent themselves to the public as being part of one entity; and
- designate themselves by a collective name such as a team or a group.

Currently, only a real estate broker may designate two members of a team as intracompany agents for the seller and the buyer in the same transaction if the buyer and seller have been advised in writing that the agents are part of the same team and may have a financial interest in the outcome of the transaction.

All real estate brokerage activities must be conducted from the office or branch office where the licenses of the team members are displayed.

The State Real Estate Commission was established by Chapter 351 of 1939. The commission was created to protect the health, safety, and welfare of the public through its examination, licensing, and regulatory activities in regard to real estate. Specifically, the commission:

- licenses all real estate brokers, associate brokers, and salespersons;
- requires an examination for all original licensees and continuing education for existing licensees to ensure that only qualified and competent individuals are licensed;
- processes complaints against licensees; and
- administers the Real Estate Guaranty Fund, which provides limited restitution to consumers who have filed valid claims against licensees.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mm/mcr

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