

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 1446  
Economic Matters

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

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State Real Estate Commission - Continuing Education Requirements - Ethics and Professionalism

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This bill alters the subject matter covered by the continuing education ethics course required for licensure renewal from the State Real Estate Commission. Specifically, the required 3-clock hour ethics course must also include a discussion of (1) fraudulent real estate practices and (2) professionalism as it relates to the Maryland Code of Ethics, including conflict resolution and a licensee's duty to respect the public, peers, and property. Conversely, a specific requirement to include discussion of the practice of predatory lending is removed from the course.

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Fiscal Summary

**State Effect:** The Maryland Department of Labor (MDL) can adopt regulations to alter continuing education requirements for the State Real Estate Commission with existing budgeted resources. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** Generally, each individual licensed by the State Real Estate Commission as an associate real estate broker, real estate broker, or real estate salesperson must complete 15-clock hours of continuing education every two years in order to qualify for license renewal. The commission must approve the form, substance, and subject matter of the courses; however, every two years, a licensee must complete at least:

- a 3-clock hour course that outlines relevant changes that have occurred in federal, State, or local laws and regulations, court cases, and industry trends that have an impact on those laws and regulations, or any combination thereof;
- a 1.5-clock hour course that outlines federal, State, and local fair housing laws and regulations;
- a 3-clock hour ethics course that includes the Maryland Code of Ethics and a discussion of the practices of flipping and predatory lending;
- a 3-clock hour course on the principles of agency and agency disclosure; and
- for a real estate broker and a licensee designated as a branch office manager or a team leader, a 3-clock hour course on the requirements of broker supervision.

**Background:** Generally, an individual must be licensed by the State Real Estate Commission in MDL as a real estate broker, associate broker, or salesperson before the individual may provide real estate brokerage services in the State, subject to specified requirements for licensure and ongoing licensee behavior. The commission has approximately 47,000 licensees.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** SB 350 (Senator Patterson, *et al.*) - Education, Health, and Environmental Affairs.

**Information Source(s):** Maryland Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2020  
rh/mcr Third Reader - March 15, 2020  
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