

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 6 (Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Labor)

Education, Health, and Environmental Affairs

Economic Matters

State Real Estate Commission - Sunset Extension

This departmental bill extends the termination date for the State Real Estate Commission by 10 years to July 1, 2032.

Fiscal Summary

State Effect: Special fund revenues and expenditures for the State Real Estate Commission are maintained beyond FY 2022.

Local Effect: None.

Small Business Effect: The Maryland Department of Labor (MDL) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services (DLS) concurs with this assessment.

Analysis

Current Law/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 also administers a guaranty fund for the purpose of reimbursing persons for actual losses due to acts or omissions that occur in the provision of real estate brokerage services by licensees or unlicensed employees of licensed real estate brokers. The commission has approximately 47,000 licensees, with annual revenues of approximately \$2.7 million and annual operating expenditures of approximately \$1.9 million.

Maryland Program Evaluation Act

The State Real Estate Commission is one of approximately 70 regulatory entities and activities subject to evaluation under the Maryland Program Evaluation Act (MPEA). Entities subject to MPEA may be evaluated by DLS only as directed by specified entities or by legislation. Most such entities are subject to termination, including the commission, which is scheduled to terminate July 1, 2022. Accordingly, the evaluation process is better known as sunset review.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - January 7, 2020
an/mcr Third Reader - January 17, 2020

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Real Estate Commission - Sunset Extension

BILL NUMBER: SB6

PREPARED BY: Michael Kasnic

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

There are no changes to the economic impacts for small businesses resulting from the continuation of the Real Estate Commission.