SENATE BILL 425

AN ACT concerning

Real Estate Associate Brokers and Salespersons – Compensation – Payment
From Title Insurance Producer

FOR the purpose of authorizing a certain title insurance producer to pay compensation for
the provision of real estate brokerage services to associate real estate brokers, real
estate salespersons, or certain business entities on behalf of a real estate broker
under certain circumstances; and generally relating to compensation for real estate
brokerage services.

BY repealing and reenacting, with amendments,
Article – Business Occupations and Professions
Section 17–322(b)(21) and 17–604
Annotated Code of Maryland
(2018 Replacement Volume and 2021 Supplement)

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

Article – Business Occupations and Professions

17–322.

(b) Subject to the hearing provisions of § 17–324 of this subtitle, the Commission
may deny a license to any applicant, reprimand any licensee, or suspend or revoke a license

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.
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if the applicant or licensee:

(21) EXCEPT AS PROVIDED UNDER § 17–604 OF THIS TITLE, for real
estate brokerage services provided by an associate real estate broker or a real estate
salesperson, accepts a commission or other valuable consideration from any person other
than a real estate broker with whom the associate broker or the salesperson is affiliated;

17–604.

(a) Except as provided in subsection (b) of this section, a real estate broker, an
associate real estate broker, or a real estate salesperson may not pay compensation, in any
form, for the provision of real estate brokerage services to any person who is not licensed
under this title.

(b) [This] SUBSECTION (A) OF THIS section does not prohibit the payment of
compensation to:

(1) an individual:

(i) who is licensed in another state; and

(ii) who meets the requirements of § 17–513 of this title;

(2) a professional service corporation formed under § 17–512 of this title;

(3) a limited liability company formed under § 17–512 of this title; [or]

(4) a business entity formed under § 17–512 of this title; OR

(5) a title insurance producer licensed under Title 10 of
the Insurance Article acting in accordance with subsection (C) of this
section.

(C) DURING THE SETTLEMENT OF PROPERTY, A LICENSED TITLE
INSURANCE PRODUCER MAY, ON BEHALF OF A REAL ESTATE BROKER AND IN
ACCORDANCE WITH A WRITTEN DISBURSEMENT AUTHORIZATION PROVIDED BY THE
REAL ESTATE BROKER, PAY COMPENSATION TO:

(1) AN ASSOCIATE REAL ESTATE BROKER;

(2) A REAL ESTATE SALESPERSON; OR

(3) A BUSINESS ENTITY FORMED UNDER § 17–512 OF THIS TITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
October 1, 2022.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.