

SENATE BILL 579

N1, C3

3lr2659
CF 3lr0789

By: **Senator Hayes**

Introduced and read first time: February 6, 2023

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Residential Property – Exclusive Listing Agreements – Limit on Duration**

3 FOR the purpose of prohibiting an exclusive listing agreement for the sale of residential
4 property from being effective for more than 1 year; requiring the State Real Estate
5 Commission to include an assessment of the use of exclusive listing agreements in a
6 certain annual report; and generally relating to exclusive listing agreements.

7 BY adding to

8 Article – Real Property

9 Section 10–803

10 Annotated Code of Maryland

11 (2015 Replacement Volume and 2022 Supplement)

12 BY repealing and reenacting, without amendments,

13 Article – Business Occupations and Professions

14 Section 17–101(a), (d), (l), and (n)

15 Annotated Code of Maryland

16 (2018 Replacement Volume and 2022 Supplement)

17 BY repealing and reenacting, with amendments,

18 Article – Business Occupations and Professions

19 Section 17–210

20 Annotated Code of Maryland

21 (2018 Replacement Volume and 2022 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

23 That the Laws of Maryland read as follows:

24 **Article – Real Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **10-803.**

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (2) (I) "EXCLUSIVE LISTING AGREEMENT" MEANS ANY
5 AGREEMENT BETWEEN AN OWNER OF RESIDENTIAL PROPERTY AND ANOTHER
6 PERSON THAT PROVIDES THE PERSON WITH THE EXCLUSIVE RIGHT TO SELL THE
7 RESIDENTIAL PROPERTY.

8 (II) "EXCLUSIVE LISTING AGREEMENT" INCLUDES:

9 1. ANY AGREEMENT BETWEEN AN OWNER OF
10 RESIDENTIAL PROPERTY AND A REAL ESTATE BROKER, AS DEFINED IN § 17-101 OF
11 THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE, THAT PROVIDES THE
12 REAL ESTATE BROKER WITH THE EXCLUSIVE RIGHT TO SELL THE RESIDENTIAL
13 PROPERTY; AND

14 2. ANY AGREEMENT BETWEEN AN OWNER OF
15 RESIDENTIAL PROPERTY AND ANOTHER PERSON THAT PROVIDES THE PERSON WITH
16 THE EXCLUSIVE RIGHT TO SELL THE RESIDENTIAL PROPERTY IN THE FUTURE.

17 (3) "RESIDENTIAL PROPERTY" MEANS REAL PROPERTY IMPROVED
18 BY FOUR OR FEWER SINGLE-FAMILY DWELLING UNITS THAT ARE DESIGNED
19 PRINCIPALLY AND ARE INTENDED FOR HUMAN HABITATION.

20 (B) THIS SECTION APPLIES ONLY TO AN EXCLUSIVE LISTING AGREEMENT
21 ENTERED INTO ON OR AFTER JUNE 1, 2023.

22 (C) (1) AN EXCLUSIVE LISTING AGREEMENT MAY NOT BE EFFECTIVE FOR
23 MORE THAN 1 YEAR.

24 (2) AN EXCLUSIVE LISTING AGREEMENT THAT PURPORTS TO BE
25 EFFECTIVE FOR MORE THAN 1 YEAR SHALL BE VOID AND OF NO FURTHER EFFECT
26 AFTER 1 YEAR.

27 **Article – Business Occupations and Professions**

28 17-101.

29 (a) In this title the following words have the meanings indicated.

30 (d) "Commission" means the State Real Estate Commission.

1 (l) "Provide real estate brokerage services" means to engage in any of the
2 following activities:

3 (1) for consideration, providing any of the following services for another
4 person:

5 (i) selling, buying, exchanging, or leasing any real estate; or

6 (ii) collecting rent for the use of any real estate;

7 (2) for consideration, assisting another person to locate or obtain for
8 purchase or lease any residential real estate;

9 (3) engaging regularly in a business of dealing in real estate or leases or
10 options on real estate;

11 (4) engaging in a business the primary purpose of which is promoting the
12 sale of real estate through a listing in a publication issued primarily for the promotion of
13 real estate sales;

14 (5) engaging in a business that subdivides land that is located in any state
15 and sells the divided lots; or

16 (6) for consideration, serving as a consultant regarding any activity set
17 forth in items (1) through (5) of this subsection.

18 (n) "Real estate broker" means an individual who provides real estate brokerage
19 services.

20 17–210.

21 The Commission shall submit to the Secretary an annual report of the activities of
22 the Commission that includes:

23 (1) a statement of the total receipts from license fees;

24 (2) a statement of the total expenditures of the Commission;

25 (3) the number of real estate broker licenses, associate real estate broker
26 licenses, and real estate salesperson licenses issued in each county;

27 (4) the number of hearings held;

28 (5) the number of complaints received;

29 (6) the number of investigations made;

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1 (7) the number of applications for licenses denied;

2 (8) the total number of licenses suspended or revoked;

3 (9) the number of cases resolved within the schedule adopted under §
4 17–208(b) of this subtitle;

5 (10) the number of Guaranty Fund awards made that reach the statutory
6 cap at the time the award is made, the corresponding amounts claimed by the complainant
7 in each case, and the amount of damages that would have been reimbursable to the
8 complainant if the statutory cap did not exist; [and]

9 **(11) AN ASSESSMENT OF THE USE OF EXCLUSIVE LISTING**
10 **AGREEMENTS, AS DEFINED IN § 10–803 OF THE REAL PROPERTY ARTICLE, AND ANY**
11 **DETRIMENTAL IMPACT OF THESE AGREEMENTS ON TRANSACTIONS FOR**
12 **RESIDENTIAL PROPERTY; AND**

13 **[(11)] (12)** any other information that reflects the work of the Commission.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
15 1, 2023.