

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 301 (Delegate Rosenberg)  
Economic Matters

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**Real Estate Brokers - Brokerage Services - Real Estate Wholesaling**

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This bill requires real estate wholesalers to be licensed as real estate brokers by the Maryland Real Estate Commission. As a result, the statutory definition of “provide real estate brokerage services” is expanded to include engaging in buying or selling, offering to buy or sell, or marketing of real estate or otherwise dealing in contracts (including assignable contracts) for real estate or options on real estate on two or more occasions in any 12-month period – regardless of whether the activity is engaged in for another person.

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**Fiscal Summary**

**State Effect:** Potential minimal increase in special fund licensing revenues to the extent real estate wholesalers obtain licensure; a reliable estimate is not feasible as the number of potential licensees is not known. Any such revenue accrues to the State Real Estate Commission Fund. Expenditures are not materially affected.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Current Law:** Generally, an individual must be licensed by the Maryland Real Estate Commission as a real estate broker before the individual may provide real estate brokerage services in the State. Similarly, an individual must be licensed by the commission as an associate real estate broker or a real estate salesperson before the individual, while acting on behalf of a real estate broker, may provide real estate brokerage services in the State. “Provide real estate brokerage services” means to engage in any of the following activities:

- for consideration, providing any of the following services for another person: (1) selling, buying, exchanging, or leasing any real estate; or (2) collecting rent for the use of any real estate;
- for consideration, assisting another person to locate or obtain for purchase or lease any residential real estate;
- engaging regularly in a business of dealing in real estate or leases or options on real estate;
- engaging in a business the primary purpose of which is promoting the sale of real estate through a listing in a publication issued primarily for the promotion of real estate sales;
- engaging in a business that subdivides land that is located in any state and sells the divided lots; or
- for consideration, serving as a consultant regarding any activity listed above.

**Small Business Effect:** Any small businesses that engage in the specified activities are subject to licensing and regulation under the Maryland Real Estate Brokers Act, which may have a meaningful impact on such businesses.

**Additional Comments:** The Maryland Real Estate Commission advises that it interprets a provision of the Maryland Real Estate Brokers Act ([§ 17-322\(b\)\(11\)](#)) to preclude licensees from engaging in wholesaling, which may conflict with the bill's requirement that wholesalers be licensed by the commission.

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### Additional Information

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - February 3, 2023  
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