

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 144

(Delegate Qi)

Economic Matters

Education, Energy, and the Environment

Real Estate Brokers - Inactive Licenses - Requirements After Expiration

This bill requires a licensee of the Maryland Real Estate Commission who fails to reactivate a license on inactive status within three years to comply with specified licensing requirements under current law in order to obtain a license.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations. The Maryland Real Estate Commission can implement procedural changes with existing budgeted resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: The State Real Estate Commission issues licenses to qualified real estate brokers, associate brokers, and salespersons. In general, to obtain a real estate broker or associate broker license, an applicant must successfully complete 135 classroom hours of prelicensing broker courses, pass the required examination, and have been a licensed salesperson for at least three years. The biennial licensing fee for a real estate broker's license is \$190 for an initial license. Associate brokers must pay a licensing fee of \$130. For both license types, renewal fees are \$20 less.

To become licensed as a real estate salesperson, an individual must successfully complete a basic course in real estate or, if approved by the commission, college-level courses in real estate subjects. In addition, an applicant must pass the examination required for a salesperson license and obtain a commitment from a licensed real estate broker that the applicant will become affiliated with the broker after receiving a real estate salesperson license. The biennial licensing fee for a salesperson is \$90; a renewal license is \$70.

A licensee may apply for reinstatement of an expired license without reexamination if the licensee:

- applies within three years after the license expires;
- meets the requirements of good character and reputation;
- complies with the applicable continuing education requirement for the period during which the individual was not licensed; and
- pays to the commission a reinstatement fee, currently set in regulation at \$150.

A license holder may apply for inactive status with the commission, provided the applicant qualifies for an active license and continues to pay the biennial license renewal fee, as needed. Additionally, a licensee may renew a license that is on inactive status only if the licensee complies with the commission's continuing education requirements. Unless a license on inactive status is reactivated, the license expires three years after the date it is placed on inactive status. The fee to reactivate an inactive license is \$25.

All persons licensed with the commission, either as an associate real estate broker, real estate broker, or real estate salesperson must meet certain continuing education requirements in order to qualify for license renewal every two years. In general, to qualify for renewal of a license, a licensee must complete at least 15 hours of continuing education during the preceding two-year license term.

Additional Comments: The Maryland Real Estate Commission advises that the bill closes a loophole allowing an *inactive* licensee to reinstate and renew a license for up to six years after expiration. Conversely, an *active* licensee (*i.e.*, a licensee currently performing real estate brokerage services) only has three years after a license expires to reinstate and renew.

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
km/mcr Third Reader - March 7, 2023

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