

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1225
Economic Matters

(Delegate Howard)

Education, Energy, and the Environment

Real Estate Brokers - Disability or Death and Termination of Employment of a Broker

This bill requires the family member of a disabled or deceased real estate broker to submit a death certificate or evidence of the disability to the State Real Estate Commission in order to carry on the business of the disabled or deceased individual. If a death certificate or evidence of disability is not provided, the business may designate another licensed real estate broker to provide real estate brokerage services for the business, as specified. The bill also establishes a process for redesignating the license of a terminated real estate broker.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations. The State Real Estate Commission can implement the bill's changes with existing resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: If a licensed real estate broker is terminated by a business for any reason, the business may designate another licensed real estate broker to provide brokerage services for the business.

If the license certificate and pocket card of a terminated broker are surrendered to the commission, the commission must approve the designation in accordance with any

applicable laws and regulations. If the certificate and pocket card are not surrendered to the commission, then the commission must approve the designation only if:

- the designated broker is in good standing with the commission;
- the business notifies the commission of the reason for the termination; and
- the designation of the broker complies with applicable laws and regulations.

A broker who has been designated under this process is subject to all applicable requirements the Maryland Real Estate Brokers Act.

Current Law: Subject to certain requirements, on the disability or death of a licensed real estate broker, any adult member of the family of the disabled or deceased broker may carry on the business of the disabled or deceased broker for up to six months for purposes of closing and terminating the business.

To qualify to carry on the business, a family member must (1) surrender the license certificate and pocket card of the disabled or deceased real estate broker and (2) submit to the commission any information or documentation required by the commission.

The commission must subsequently reissue the license to the qualified family member for six months. Before the end of that period, an individual may qualify for the license of the disabled or deceased broker if:

- the individual is an immediate family member;
- the individual has been continuously licensed as a real estate salesperson for the immediately preceding three years;
- the individual passes the required real estate broker's examination (regardless of whether the individual has met the educational requirements for a license);
- the individual surrenders his or her real estate salesperson license certificate and pocket card; and
- complied with specified requirements.

If the individual meets these requirements, the commission must reissue the license of a disabled or deceased real estate broker to the qualified individual.

The license may be held for up to four years from the time of reissuance without meeting real estate broker licensing educational requirements; the individual is responsible for properly renewing the license.

If the educational requirements are not met within the four-year period, the license expires automatically at the end of that period. However, if the individual meets the educational

requirements, then the person may continue to hold the license and pursue a standard renewal.

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 17, 2023
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Analysis by: Eric F. Pierce

Direct Inquiries to:

(410) 946-5510

(301) 970-5510