

SENATE BILL 384

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6lr2303
CF HB 545

By: **Senators Watson and Carozza**

Introduced and read first time: January 27, 2026

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Real Estate Brokers – Residential Real Estate Transactions – Transaction**
3 **Brokers**

4 FOR the purpose of authorizing a licensed real estate broker, a licensed associate real
5 estate broker, or a licensed real estate salesperson to establish nonagency
6 relationships to act as a real estate transaction broker in a residential real estate
7 transaction under certain circumstances; establishing the duties of a transaction
8 broker in a transaction brokerage; requiring the State Real Estate Commission to
9 develop a certain standard consent form for a transaction brokerage; and generally
10 relating to transaction brokers and residential real estate transactions.

11 BY repealing and reenacting, with amendments,
12 Article – Business Occupations and Professions
13 Section 17–322(b)(30) and 17–532(a)
14 Annotated Code of Maryland
15 (2018 Replacement Volume and 2025 Supplement)

16 BY adding to
17 Article – Business Occupations and Professions
18 Section 17–551 through 17–557 to be under the new part “Part VI. Transaction
19 Brokers”
20 Annotated Code of Maryland
21 (2018 Replacement Volume and 2025 Supplement)

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

24 **Article – Business Occupations and Professions**

25 17–322.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(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 if the applicant or licensee:

(30) fails to make the disclosure or provide the consent form required by § 17–530.2 **OR § 17–554** of this title;

17–532.

(a) **[A] EXCEPT AS PROVIDED IN PART VI OF THIS SUBTITLE,** A licensee shall comply with the provisions of this section when providing real estate brokerage services.

17–549. RESERVED.

17–550. RESERVED.

PART VI. TRANSACTION BROKERS.

17–551.

(A) IN THIS PART FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “BROKER” HAS THE MEANING STATED IN § 17–528 OF THIS SUBTITLE.

(C) “BROKERAGE AGREEMENT” HAS THE MEANING STATED IN § 17–528 OF THIS SUBTITLE.

(D) “CONFIDENTIAL INFORMATION” HAS THE MEANING STATED IN § 17–528 OF THIS SUBTITLE.

(E) “TIMELY” HAS THE MEANING STATED IN § 17–528 OF THIS SUBTITLE.

(F) “TRANSACTION BROKER” MEANS A LICENSEE WHO PROVIDES REAL ESTATE BROKERAGE SERVICES TO A SELLER AND A BUYER OR A LESSOR AND A LESSEE IN A REAL ESTATE TRANSACTION BUT DOES NOT REPRESENT EITHER PARTY TO THE TRANSACTION IN AN AGENCY RELATIONSHIP.

(G) “TRANSACTION BROKERAGE” MEANS EACH RELATIONSHIP IN WHICH A LICENSEE ACTS AS A TRANSACTION BROKER.

17–552.

(A) THIS PART APPLIES ONLY TO:

1 **(1) THE SALE OR LEASE OF REAL PROPERTY IMPROVED BY ONE, TWO,**
2 **THREE, OR FOUR SINGLE-FAMILY UNITS; AND**

3 **(2) UNIMPROVED REAL PROPERTY ZONED FOR RESIDENTIAL USE BY**
4 **THE LOCAL ZONING AUTHORITY OF THE COUNTY OR MUNICIPALITY IN WHICH THE**
5 **REAL PROPERTY IS LOCATED.**

6 **(B) THIS PART DOES NOT APPLY TO A LEASE OF 125 DAYS OR LESS.**
7 **17-553.**

8 **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A**
9 **LICENSED REAL ESTATE BROKER, A LICENSED ASSOCIATE REAL ESTATE BROKER,**
10 **OR A LICENSED REAL ESTATE SALESPERSON MAY NOT ACT AS A TRANSACTION**
11 **BROKER IN THE STATE.**

12 **(B) IF A LICENSEE OBTAINS THE WRITTEN INFORMED CONSENT OF ALL**
13 **PARTIES TO A REAL ESTATE TRANSACTION, THE LICENSEE MAY ACT AS A**
14 **TRANSACTION BROKER FOR BOTH THE SELLER AND THE BUYER OR THE LESSOR AND**
15 **THE LESSEE IN A REAL ESTATE TRANSACTION.**

16 **(C) THE WRITTEN CONSENT FOR A TRANSACTION BROKERAGE SHALL**
17 **INCLUDE A STATEMENT THAT:**

18 **(1) AS A TRANSACTION BROKER, THE BROKER DOES NOT REPRESENT**
19 **EITHER THE SELLER OR THE BUYER OR THE LESSOR OR THE LESSEE AND IT MAY BE**
20 **ADVISABLE TO SEEK INDIVIDUAL REPRESENTATION BECAUSE THE INTERESTS OF**
21 **THE SELLER AND THE BUYER OR THE LESSOR AND THE LESSEE MAY BE DIFFERENT**
22 **OR ADVERSE;**

23 **(2) AS A TRANSACTION BROKER, THE BROKER OWES ONLY LIMITED**
24 **FIDUCIARY DUTIES AND OWES THE LIMITED FIDUCIARY DUTIES TO THE SELLER AND**
25 **THE BUYER OR THE LESSOR AND THE LESSEE AS ESTABLISHED UNDER § 17-556 OF**
26 **THIS SUBTITLE;**

27 **(3) A TRANSACTION BROKER MAY NOT DISCLOSE CONFIDENTIAL**
28 **INFORMATION IN VIOLATION OF § 17-556(D) OF THIS SUBTITLE;**

29 **(4) THE SELLER OR THE BUYER OR THE LESSOR OR THE LESSEE IS**
30 **NOT REQUIRED TO CONSENT TO THE TRANSACTION BROKERAGE;**

31 **(5) THE SELLER AND THE BUYER OR THE LESSOR AND THE LESSEE**
32 **HAVE VOLUNTARILY CONSENTED TO THE TRANSACTION BROKERAGE; AND**

(6) THE TERMS OF THE TRANSACTION BROKERAGE ARE UNDERSTOOD BY THE SELLER AND THE BUYER OR THE LESSOR AND THE LESSEE.

(D) (1) A PARTY TO A REAL ESTATE TRANSACTION MAY WITHDRAW CONSENT TO A TRANSACTION BROKERAGE BY REQUESTING THE WITHDRAWAL IN WRITING.

(2) IN ANY RESIDENTIAL REAL ESTATE TRANSACTION, A TRANSACTION BROKER SHALL WITHDRAW FROM A TRANSACTION BROKERAGE IF A PARTY TO THE TRANSACTION WITHDRAWS CONSENT TO THE TRANSACTION BROKERAGE IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.

17-554.

(A) A LICENSEE WHO PARTICIPATES IN A REAL ESTATE TRANSACTION AS A TRANSACTION BROKER SHALL USE A STANDARD CONSENT FORM THAT INCLUDES THE INFORMATION SPECIFIED IN § 17-553 OF THIS SUBTITLE.

(B) (1) THE COMMISSION SHALL PREPARE AND PROVIDE THE STANDARD CONSENT FORM REQUIRED UNDER SUBSECTION (A) OF THIS SECTION TO EACH LICENSEE IN THE STATE.

(2) THE STANDARD CONSENT FORM FOR A TRANSACTION BROKERAGE SHALL BE:

(I) WRITTEN IN A CLEAR AND COHERENT MANNER USING WORDS WITH COMMON AND EVERYDAY MEANINGS;

(II) APPROPRIATELY DIVIDED AND CAPTIONED BY THE VARIOUS SECTIONS; AND

(III) PRINTED IN AT LEAST 12 POINT TYPE.

17-555.

THIS PART DOES NOT PROHIBIT A TRANSACTION BROKER AND THE PARTIES TO A REAL ESTATE TRANSACTION FROM ENTERING A BROKERAGE AGREEMENT THAT IMPOSES ON A LICENSEE DUTIES AND OBLIGATIONS IN ADDITION TO THE DUTIES AND OBLIGATIONS SPECIFIED IN § 17-556 OF THIS SUBTITLE.

17-556.

1 **(A) A TRANSACTION BROKER SHALL COMPLY WITH THE PROVISIONS OF**
2 **THIS SECTION WHEN PROVIDING REAL ESTATE BROKERAGE SERVICES IN A**
3 **TRANSACTION BROKERAGE.**

4 **(B) A TRANSACTION BROKER:**

5 **(1) DOES NOT REPRESENT EITHER PARTY TO THE REAL ESTATE**
6 **TRANSACTION IN AN AGENCY CAPACITY; BUT**

7 **(2) AS ESTABLISHED UNDER THIS SECTION, OWES LIMITED**
8 **FIDUCIARY DUTIES TO EACH PARTY TO THE REAL ESTATE TRANSACTION.**

9 **(C) A TRANSACTION BROKER SHALL:**

10 **(1) ACT IN ACCORDANCE WITH THE TERMS OF THE BROKERAGE**
11 **AGREEMENT;**

12 **(2) FACILITATE A SALE OR A LEASE OF REAL ESTATE IN ACCORDANCE**
13 **WITH THE TERMS OF THE BROKERAGE AGREEMENT OR OTHER TERMS ACCEPTABLE**
14 **TO THE PARTIES TO THE REAL ESTATE TRANSACTION;**

15 **(3) UNLESS OTHERWISE SPECIFIED IN THE BROKERAGE AGREEMENT,**
16 **PRESENT IN A TIMELY MANNER ALL WRITTEN OFFERS OR COUNTEROFFERS TO AND**
17 **FROM THE PARTIES TO THE TRANSACTION;**

18 **(4) DISCLOSE TO THE PARTIES TO THE TRANSACTION ALL MATERIAL**
19 **FACTS AS REQUIRED UNDER § 17-322 OF THIS TITLE;**

20 **(5) TREAT ALL PARTIES TO THE TRANSACTION HONESTLY AND**
21 **FAIRLY AND ANSWER ALL QUESTIONS TRUTHFULLY;**

22 **(6) IN A TIMELY MANNER ACCOUNT FOR ALL TRUST MONEY**
23 **RECEIVED;**

24 **(7) EXERCISE REASONABLE CARE AND DILIGENCE; AND**

25 **(8) COMPLY WITH ALL:**

26 **(I) REQUIREMENTS OF THIS TITLE;**

27 **(II) APPLICABLE FEDERAL, STATE, AND LOCAL FAIR HOUSING**
28 **LAWS AND REGULATIONS; AND**

(III) OTHER APPLICABLE LAWS AND REGULATIONS.

(D) UNLESS A PARTY TO THE REAL ESTATE TRANSACTION CONSENTS IN WRITING TO THE DISCLOSURE, A TRANSACTION BROKER MAY NOT DISCLOSE CONFIDENTIAL INFORMATION ABOUT OR RECEIVED FROM THE PARTY TO:

(1) THE OTHER PARTY TO THE REAL ESTATE TRANSACTION;

(2) A LICENSEE ACTING AS THE AGENT OF THE OTHER PARTY; OR

(3) ANY OTHER REPRESENTATIVE OF THE OTHER PARTY.

(E) A TRANSACTION BROKER DOES NOT HAVE A DUTY TO:

(1) CONDUCT AN INDEPENDENT INSPECTION OF THE REAL PROPERTY IN A REAL ESTATE TRANSACTION;

(2) INDEPENDENTLY EXAMINE THE RESPECTIVE FINANCIAL CONDITIONS OF THE PARTIES TO A REAL ESTATE TRANSACTION; OR

(3) INDEPENDENTLY VERIFY THE ACCURACY OR COMPLETENESS OF STATEMENTS MADE BY:

(I) A PARTY TO A REAL ESTATE TRANSACTION;

(II) ANY LICENSEE ACTING AS THE AGENT OF A PARTY; OR

(III) ANY OTHER REPRESENTATIVE OF A PARTY.

17-557.

(A) A TRANSACTIONAL BROKERAGE COMMENCES AT THE TIME THAT A TRANSACTION BROKER AND THE PARTIES TO THE REAL ESTATE TRANSACTION ENTER INTO A BROKERAGE AGREEMENT AND SHALL CONTINUE UNTIL:

(1) THE COMPLETION OF PERFORMANCE IN ACCORDANCE WITH THE BROKERAGE AGREEMENT; OR

(2) THE EARLIER OF:

(I) ANY DATE OF EXPIRATION AS AGREED ON BY THE PARTIES IN THE BROKERAGE AGREEMENT OR IN ANY AMENDMENTS TO THE BROKERAGE AGREEMENT;

1 (II) ANY MUTUALLY AGREED ON TERMINATION OF THE
2 TRANSACTION BROKERAGE;

3 (III) A DEFAULT BY ANY PARTY UNDER THE TERMS OF THE
4 BROKERAGE AGREEMENT; OR

5 (IV) A TERMINATION UNDER § 17-553(D) OF THIS SUBTITLE.

6 (B) THE BROKERAGE AGREEMENT BETWEEN A TRANSACTION BROKER AND
7 THE PARTIES TO THE REAL ESTATE TRANSACTION SHALL:

8 (1) HAVE A DEFINITE TERMINATION DATE THAT IS EFFECTIVE
9 AUTOMATICALLY WITHOUT NOTICE FROM ANY PARTY;

10 (2) STATE THE AMOUNT OF COMPENSATION TO BE PAID TO THE
11 TRANSACTION BROKER;

12 (3) STATE WHETHER THE TRANSACTION BROKER IS AUTHORIZED TO
13 COOPERATE WITH OTHER BROKERS AND SHARE COMPENSATION WITH THE OTHER
14 BROKERS AND THE AMOUNT OF THE COMPENSATION DESCRIBED AS A PERCENTAGE
15 OF THE PURCHASE PRICE, A SPECIFIC DOLLAR AMOUNT, OR A COMBINATION OF
16 BOTH;

17 (4) EXPLAIN THE EVENTS OR CONDITIONS THAT WILL ENTITLE THE
18 TRANSACTION BROKER TO A COMMISSION OR OTHER COMPENSATION;

19 (5) CONTAIN A PROVISION FOR THE CANCELLATION OF THE
20 TRANSACTION BROKERAGE BY EITHER A PARTY TO THE TRANSACTION OR THE
21 TRANSACTION BROKER OR BY MUTUAL AGREEMENT OF THE PARTIES TO THE
22 TRANSACTION AND THE TRANSACTION BROKER; AND

23 (6) CONTAIN A CLEAR AND PROMINENT STATEMENT THAT A
24 TRANSACTION BROKER IS NOT AN AGENT OF AND DOES NOT REPRESENT EITHER
25 PARTY TO THE TRANSACTION, AND IF A PARTY TO THE TRANSACTION WOULD
26 PREFER A LICENSEE TO ACT AS AN AGENT OF AND REPRESENT THE PARTY AND THE
27 PARTY'S INTERESTS DURING THE TRANSACTION, THE PARTY SHOULD CONSIDER
28 ENTERING A BROKERAGE AGREEMENT WITH A LICENSEE TO ACT AS A SELLER'S
29 AGENT OR A BUYER'S AGENT.

30 (C) EXCEPT AS OTHERWISE PROVIDED IN THE BROKERAGE AGREEMENT, A
31 TRANSACTION BROKER SHALL HAVE NO FURTHER DUTIES OR OBLIGATIONS TO THE
32 PARTIES TO THE REAL ESTATE TRANSACTION AFTER THE TERMINATION,

1 EXPIRATION, OR COMPLETION OF PERFORMANCE OF THE TRANSACTION
2 BROKERAGE, EXCEPT TO ACCOUNT FOR ALL TRUST MONEY IN THE LICENSEE'S
3 POSSESSION IN ACCORDANCE WITH THIS TITLE.

4 (D) THE PAYMENT OR PROMISE OF PAYMENT OF COMPENSATION TO A
5 LICENSED REAL ESTATE BROKER BY A SELLER, LESSOR, BUYER, OR LESSEE, OR BY
6 A LICENSEE ACTING FOR A SELLER, LESSOR, BUYER, OR LESSEE:

7 (1) IS NOT DETERMINATIVE OF WHETHER A TRANSACTION
8 BROKERAGE HAS BEEN CREATED OR EXISTS; AND

9 (2) DOES NOT CREATE OR DETERMINE THE EXISTENCE OF A
10 TRANSACTION BROKERAGE BETWEEN A TRANSACTION BROKER AND A SELLER,
11 LESSOR, BUYER, LESSEE, OR LICENSEE.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2026.