



## **House Bill 1006 – Real Estate Brokers – Exemption for Auctioneers**

### **Position: Support**

Maryland REALTORS® supports HB 1006 which removes the exemption the real estate license law for auctioneers. HB 1006 would bring Maryland law closer to all of states surrounding us except for Delaware.

About half of the states in the United States require auctioneers to have auction licenses or at least to have a real estate license if selling real estate. That includes almost all states surrounding Maryland except for Delaware. Maryland auctioneers, however, have no required state auctioneer license (although some counties require a license) and are exempt from the real estate licensing law if the home sale is transacted within the day of the auction. In fact, because advertising the property in advance of the auction triggers the need for a real estate license, many Maryland auctioneers already hold a real estate license.

Consumers have more protections working with a Maryland real estate licensee than with individuals who are not licensed. If a real estate licensee violates the law, consumers may file a complaint and receive up to \$50,000 from the real estate guarantee fund. In addition, the real estate licensee is a fiduciary to the client imparting a legal duty on the licensee to represent the client's interests above all others. All licensees may participate in the Multiple Licensing Service which connects over 80,000 agents from 5 different states and about 20 million sellers and buyers. All licensees also take a licensing course and continuing education so that they know changes to law impacting real estate contracts and new disclosures to consumers.

Finally, of all the exemptions that exist in the real estate brokerage act, apart from the exception for the owner, apply to specific circumstances rather than just an alternative way to sell property. Exemptions exist for: individuals acting by order of a court; public officers while performing their duties of office; individuals holding a power of attorney; or a receiver, trustee, personal representative or guardian of an owner. Most of these exemptions apply to foreclosure, estate sales, and instances when an owner needs legal or other representation because their capacity to engage in a deal is limited in some way. Moreover, even the exemption for auctioneers states that it applies only to "licensed" auctioneers. However, as stated above there is no state auctioneer license.

HB 1006 will make Maryland law more in conformity with the states surrounding Maryland and offer better protection to the consumer. For these reasons, Maryland REALTORS® support HB 1006.

**For more information contact [bill.castelli@mdrealtor.org](mailto:bill.castelli@mdrealtor.org) or [susan.mitchell@mdrealtor.org](mailto:susan.mitchell@mdrealtor.org)**