

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 539

(Senator Conway)

Education, Health, and Environmental Affairs

Economic Matters

Real Estate Brokers - Licensure Requirement - Exemption for Lawyers

This bill specifies additional criteria necessary for a lawyer to be exempt from the real estate broker licensure requirement. In addition to meeting the requirements specified in current law, an exempt lawyer must be (1) authorized to practice law in the State and (2) providing real estate brokerage services while representing another person in the course of the lawyer's regular practice of law.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State finances or operations.

Local Effect: None.

Small Business Effect: Minimal. The additional requirements restrict the unlicensed provision of real estate brokerage services when a lawyer is not representing another person (*i.e.*, is self-representing).

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.

A license is *not* required under specified limited circumstances, including for a lawyer who (1) is not engaged regularly in the business of providing real estate brokerage services and (2) does not represent to the public, by use of a sign or advertisement or otherwise, that the lawyer is in the business of providing real estate brokerage services.

Background: The State Real Estate Commission licenses real estate brokers, associate brokers, and salespersons. As of December 2015, there were approximately 40,500 total licensees. Under the bill, a lawyer must represent another person (not self-represent) to be exempt from the real estate broker licensure requirement.

Additional Information

Prior Introductions: None.

Cross File: HB 747 (Delegates Gilchrist and Vaughn) - Economic Matters.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

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md/mcr

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