

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 123

(Delegate Miller)

Economic Matters

Education, Health, and Environmental Affairs

Real Estate Salespersons and Brokers – Provision of Real Estate Brokerage
Services Through a Team – Use of “and Associates”

This bill authorizes a real estate team to designate themselves by a collective name using the words “and associates.”

Fiscal Summary

State Effect: None. The bill is clarifying in nature and conforms to current practice.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law/Background: Generally, an individual must be licensed by the State Real Estate Commission as a real estate broker, associate broker, or salesperson before the individual may provide real estate brokerage services in the State, subject to specified requirements for licensure and ongoing licensee behavior. The commission has approximately 46,000 licensees.

A “team” under the Maryland Real Estate Brokers Act means two or more licensed associate real estate brokers, licensed real estate salespersons, or any combination thereof, who (1) work together on a regular basis to provide real estate brokerage services; (2) represent themselves to the public as being part of one entity; and (3) designate themselves by a collective name such as team or group. There is no express statutory authorization for or prohibition against the use of the phrase “and associates” when

designating a collective name for a real estate team. The Department of Labor, Licensing, and Regulation advises that, in practice, “and associates” is considered permissible in advertising the name of a real estate team. Notwithstanding its legal permissibility, the department’s website still [advises](#) licensees to avoid using terms in advertising that could mislead or cause consumer confusion. An example presented is that a licensed real estate salesperson should not use the term “sales associate” because of the statutory licensing category.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 31, 2019
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