

HOUSE BILL 1225

C3

3lr2380

By: **Delegate Howard**

Introduced and read first time: February 10, 2023

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: February 26, 2023

CHAPTER _____

1 AN ACT concerning

2 **Real Estate Brokers – Disability or Death and Termination of Employment of a**
3 **Broker**

4 FOR the purpose of requiring an adult family member to submit a death certificate or
5 evidence of disability to the State Real Estate Commission before the family member
6 may carry on the business of a disabled or deceased licensed real estate broker;
7 authorizing a certain business to designate a licensed real estate broker to provide
8 real estate brokerage services under certain circumstances; providing for the
9 designation and approval of licensed real estate brokers, subject to the surrender of
10 license certificates and pocket cards of terminated real estate brokers, under certain
11 circumstances; and generally relating to the disability or death of licensed real estate
12 brokers and the termination of employment of licensed real estate brokers.

13 BY repealing and reenacting, without amendments,
14 Article – Business Occupations and Professions
15 Section 17–101(a), (d), (i), and (l) and 17–511(a)(1) and (2)
16 Annotated Code of Maryland
17 (2018 Replacement Volume and 2022 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Business Occupations and Professions
20 Section 17–319
21 Annotated Code of Maryland
22 (2018 Replacement Volume and 2022 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to
2 Article – Business Occupations and Professions
3 Section 17–319.1
4 Annotated Code of Maryland
5 (2018 Replacement Volume and 2022 Supplement)

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

8 **Article – Business Occupations and Professions**

9 17–101.

10 (a) In this title the following words have the meanings indicated.

11 (d) “Commission” means the State Real Estate Commission.

12 (i) “Licensed real estate broker” means, unless the context requires otherwise, a
13 real estate broker who is licensed by the Commission to provide real estate brokerage
14 services.

15 (l) “Provide real estate brokerage services” means to engage in any of the
16 following activities:

17 (1) for consideration, providing any of the following services for another
18 person:

19 (i) selling, buying, exchanging, or leasing any real estate; or

20 (ii) collecting rent for the use of any real estate;

21 (2) for consideration, assisting another person to locate or obtain for
22 purchase or lease any residential real estate;

23 (3) engaging regularly in a business of dealing in real estate or leases or
24 options on real estate;

25 (4) engaging in a business the primary purpose of which is promoting the
26 sale of real estate through a listing in a publication issued primarily for the promotion of
27 real estate sales;

28 (5) engaging in a business that subdivides land that is located in any state
29 and sells the divided lots; or

30 (6) for consideration, serving as a consultant regarding any activity set
31 forth in items (1) through (5) of this subsection.

1 17-319.

2 (a) In this section, “disability” means a total and permanent disability that
3 renders a broker unable to perform real estate brokerage services.

4 (b) **(1)** Subject to [the provisions of] **PARAGRAPH (2) OF THIS SUBSECTION**
5 **AND** subsection (c) of this section, on the disability or death of a licensed real estate broker,
6 any adult member of the family of the disabled or deceased broker may carry on the
7 business of the disabled or deceased broker for up to 6 months for the purposes of closing
8 and terminating the business.

9 **(2) (I) A FAMILY MEMBER UNDER PARAGRAPH (1) OF THIS**
10 **SUBSECTION MAY NOT CARRY ON THE BUSINESS OF A DISABLED OR DECEASED**
11 **LICENSED REAL ESTATE BROKER UNTIL THE DEATH CERTIFICATE OR EVIDENCE OF**
12 **THE DISABILITY HAS BEEN PROVIDED TO THE COMMISSION.**

13 **(II) IF A DEATH CERTIFICATE OR EVIDENCE OF DISABILITY IS**
14 **NOT PROVIDED TO THE COMMISSION WITHIN A REASONABLE TIME, THE BUSINESS**
15 **MAY DESIGNATE ANOTHER INDIVIDUAL WHO IS A LICENSED REAL ESTATE BROKER**
16 **TO PROVIDE REAL ESTATE BROKERAGE SERVICES FOR THE BUSINESS UNDER §**
17 **17-319.1 OF THIS SUBTITLE.**

18 (c) To qualify to carry on the business of a disabled or deceased real estate broker,
19 a family member shall:

20 (1) surrender the license certificate and pocket card of the disabled or
21 deceased real estate broker to the Commission; and

22 (2) submit to the Commission any information or documentation required
23 by the Commission.

24 (d) (1) The Commission shall reissue the license of a disabled or deceased real
25 estate broker to a family member who qualifies to carry on the business of the broker under
26 subsection (c) of this section.

27 (2) The term of the reissuance shall be 6 months.

28 (e) Before the end of the 6-month period for carrying on the business of a disabled
29 or deceased real estate broker, an individual may qualify for the license of the disabled or
30 deceased broker if:

31 (1) the individual is a member of the immediate family of the disabled or
32 deceased broker;

33 (2) the individual has been continuously licensed as a real estate
34 salesperson for the immediately preceding 3 years;

1 (3) regardless of whether the individual has met the educational
2 requirements for a real estate broker license under § 17–305 of this subtitle, the individual
3 passes the real estate broker’s examination under § 17–306 of this subtitle;

4 (4) the individual surrenders the real estate salesperson license certificate
5 and pocket card of the individual to the Commission; and

6 (5) there has been compliance with the requirements of subsection (c) of
7 this section.

8 (f) The Commission shall reissue the license of a disabled or deceased real estate
9 broker to an individual who qualifies for the license of the broker under subsection (e) of
10 this section.

11 (g) (1) An individual who qualifies for and is reissued the license of a disabled
12 or deceased real estate broker may hold the license for up to 4 years from the time of
13 reissuance without meeting the educational requirements for a real estate broker license
14 under § 17–305 of this subtitle.

15 (2) Subject to the 4–year restriction under paragraph (1) of this subsection,
16 an individual who has been reissued the license of a disabled or deceased real estate broker
17 is responsible for renewing the license as required under § 17–314 of this subtitle.

18 (3) If an individual who has been reissued the license of a disabled or
19 deceased real estate broker does not meet the educational requirements for a real estate
20 broker license within the 4–year period, the license shall expire automatically at the end of
21 that period.

22 (4) If an individual who has been reissued the license of a disabled or
23 deceased real estate broker meets the educational requirements for a real estate broker
24 license within the 4–year period, the individual may continue to hold the license and may
25 renew the license under § 17–314 of this subtitle.

26 **17–319.1.**

27 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, IF A LICENSED REAL**
28 **ESTATE BROKER IS TERMINATED BY A BUSINESS FOR ANY REASON, THE BUSINESS**
29 **MAY DESIGNATE ANOTHER INDIVIDUAL WHO IS A LICENSED REAL ESTATE BROKER**
30 **TO PROVIDE REAL ESTATE BROKERAGE SERVICES FOR THE BUSINESS.**

31 **(B) (1) IF THE LICENSE CERTIFICATE AND POCKET CARD OF A**
32 **TERMINATED REAL ESTATE BROKER ARE SURRENDERED TO THE COMMISSION, THE**
33 **COMMISSION SHALL APPROVE THE DESIGNATION UNDER SUBSECTION (A) OF THIS**
34 **SECTION IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.**

1 **(2) IF THE LICENSE CERTIFICATE AND POCKET CARD OF A**
2 **TERMINATED REAL ESTATE BROKER ARE NOT SURRENDERED TO THE COMMISSION,**
3 **THE COMMISSION SHALL APPROVE THE DESIGNATION UNDER SUBSECTION (A) OF**
4 **THIS SECTION ONLY IF:**

5 **(I) THE DESIGNATED LICENSED REAL ESTATE BROKER IS IN**
6 **GOOD STANDING WITH THE COMMISSION;**

7 **(II) THE BUSINESS NOTIFIES THE COMMISSION OF THE REASON**
8 **FOR THE TERMINATION OF THE REAL ESTATE BROKER; AND**

9 **(III) THE DESIGNATION OF THE LICENSED REAL ESTATE BROKER**
10 **COMPLIES WITH ALL APPLICABLE LAWS AND REGULATIONS.**

11 **(C) A LICENSED REAL ESTATE BROKER WHO HAS BEEN DESIGNATED BY A**
12 **BUSINESS UNDER SUBSECTION (A) OF THIS SECTION IS SUBJECT TO ALL OF THE**
13 **APPLICABLE PROVISIONS OF THIS TITLE THAT RELATE TO REAL ESTATE BROKERS.**

14 17-511.

15 (a) (1) In this section the following words have the meanings indicated.

16 (2) "Business" means a person or entity, regardless of legal structure,
17 through which real estate brokerage services are provided.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2023.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.