

SENATE BILL 564

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CF HB 859

By: ~~Senator Watson~~ **Senators Watson, Brooks, Carozza, and Simonaire**

Introduced and read first time: January 25, 2024

Assigned to: Education, Energy, and the Environment

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 17, 2024

CHAPTER _____

1 AN ACT concerning

2 **Real Estate Brokers – Licensing – License Renewals and Continuing Education**

3 FOR the purpose of repealing certain processes regarding the expiration of certain licenses
4 for real estate brokers, associate real estate brokers, and real estate salespersons;
5 requiring that certain licenses expire on a staggered basis; modifying and setting
6 certain time frames for certain processes regarding the expiration of certain licenses;
7 authorizing the State Real Estate Commission to set a certain fee under certain
8 circumstances; ~~repealing a requirement that certain ethics courses discuss certain~~
9 ~~flipping and fraudulent practices~~; altering certain regulatory requirements for
10 conducting certain continuing education courses; repealing certain requirements for
11 completion and submission of certain continuing education courses; requiring that
12 certain entities submit certain continuing education course information to the
13 Commission under certain circumstances; and generally relating to licensing of real
14 estate brokers by the State Real Estate Commission.

15 BY repealing and reenacting, with amendments,
16 Article – Business Occupations and Professions
17 Section 17–314 and 17–315
18 Annotated Code of Maryland
19 (2018 Replacement Volume and 2023 Supplement)

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

22 **Article – Business Occupations and Professions**

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 17-314.

2 (a) [Except as provided in subsection (c) of this section, unless a real estate broker
3 license is renewed for a 2-year term as provided in this section, the license expires on the
4 first March 1 that comes:

5 (1) after the effective date of the license; and

6 (2) in an even-numbered year.

7 (b) Except as provided in subsection (c) of this section, unless an associate real
8 estate broker or real estate salesperson license is renewed for a 2-year term as provided in
9 this section, the license expires on the first April 30 that comes:

10 (1) after the effective date of the license; and

11 (2) in an even-numbered year.

12 (c) The Secretary may determine that licenses] **LICENSES** issued under this title
13 shall expire on a staggered basis.

14 [(d)] **(B)** (1) At least [1 month] **60 DAYS** before a license expires, the
15 Commission shall mail or electronically transmit to the licensee, as provided in paragraph
16 (2) of this subsection:

17 (i) a renewal application form; and

18 (ii) a notice that states:

19 1. the date on which the current license expires; and

20 2. the amount of the renewal fee.

21 (2) (i) If the licensee is a real estate broker, the Commission shall mail
22 or electronically transmit the renewal application form and notice to the principal office of
23 the broker.

24 (ii) If the licensee is an associate real estate broker or a real estate
25 salesperson, the Commission shall mail or electronically transmit the renewal application
26 form and notice to the principal office of the real estate broker with whom the licensee is
27 affiliated.

28 (3) If an electronic transmission under paragraph (1) or (2) of this
29 subsection is returned to the Commission as undeliverable, the Commission shall mail to
30 the licensee, at the last known address of the licensee, the materials required under

1 paragraph (1) of this subsection within 10 business days of the date the Commission
2 received the notice that the electronic transmission was undeliverable.

3 [(e)] (C) (1) Before a license expires, the licensee periodically may renew it
4 for an additional 2-year term, if the licensee:

5 [(1)] (I) otherwise is entitled to be licensed;

6 [(2)] (II) pays to the Commission a renewal fee set by the Commission;

7 [(3)] (III) submits to the Commission a renewal application on the form
8 that the Commission provides;

9 [(4)] (IV) [submits to the Commission the original certificate of completion
10 verifying that the licensee] **NOT LATER THAN 30 DAYS BEFORE THE LICENSE EXPIRES,**
11 has complied with the continuing education requirements under § 17-315 of this subtitle;

12 [(5)] (V) notifies the Commission of the name of each real estate broker
13 with whom the licensee then is affiliated; and

14 [(6)] (VI) for the renewal of a real estate broker license:

15 [(i)] 1. submits to the Commission, by a credit reporting agency
16 approved by the Commission, a credit report that contains the information required by the
17 Commission; or

18 [(ii)] 2. pays to the Commission or the Commission's designee a
19 credit report fee in an amount not to exceed the cost charged by a credit reporting agency
20 approved by the Commission to obtain a credit report that contains the information
21 required by the Commission for renewal of a real estate broker license.

22 **(2) A LICENSEE WHO FAILS TO COMPLY WITH PARAGRAPH (1)(IV) OF**
23 **THIS SUBSECTION SHALL BE SUBJECT TO A ~~REASONABLE PROCESSING~~**
24 **REINSTATEMENT FEE SET BY THE COMMISSION.**

25 [(f)] (D) The Commission shall renew the license of and issue a renewal
26 certificate and pocket card to each licensee who meets the requirements of this section.

27 [(g)] (E) The Commission shall reinstate the license of a licensee under this title
28 whose license has expired if the licensee:

29 (1) applies to the Commission for reinstatement within 3 years after the
30 license expires;

31 (2) meets the requirement of good character and reputation;

1 (3) complies with the applicable continuing education requirement for the
2 period during which the individual was not licensed; and

3 (4) pays to the Commission a reinstatement fee set by the Commission.

4 17–315.

5 (a) (1) To qualify for renewal of a license under this subtitle, a licensee shall
6 complete at least 15 clock hours of continuing education instruction, as provided in
7 subsection (b) of this section, during the preceding 2–year term.

8 (2) For a licensee who provides real estate brokerage services solely in
9 connection with nonresidential real estate, of the clock hours required under paragraph (1)
10 of this subsection, 1.5 clock hours may be satisfied by a course regarding fair housing laws
11 and regulations or the federal Americans with Disabilities Act.

12 (3) A licensee holding a license from another state must complete at least
13 the number of clock hours of continuing education instruction required under paragraph
14 (1) of this subsection during each 2–year license term and may substitute clock hours of
15 continuing education instruction earned in another state, if those clock hours:

16 (i) are approved as real estate continuing education in that state;
17 and

18 (ii) meet the distribution requirements of subsection (b)(2) of this
19 section.

20 (4) The Commission shall grant the substitution of clock hours in
21 paragraph (3) of this subsection only if the other state permits the substitution of clock
22 hours of continuing education instruction approved by the Commission for a licensee of this
23 State.

24 (b) (1) The Commission shall approve the form, substance, and, as provided
25 under paragraphs (2) and (3) of this subsection, subject matter of all continuing education
26 courses.

27 (2) For a licensee who has been issued a renewal certificate under § 17–314
28 of this subtitle, the subject matter approved by the Commission shall:

29 (i) relate to real estate or to a subject matter intended to assist a
30 licensee in providing real estate brokerage services to the public in a more efficient and
31 effective manner, provided that the subject matter is related to helping the public buy or
32 sell real estate;

33 (ii) every 2 years, include at least one 3 clock hour course that
34 outlines relevant changes that have occurred in federal, State, or local laws and

1 regulations, court cases and industry trends that have an impact on those laws and
2 regulations, or any combination of those laws, regulations, court cases, and industry trends;

3 (iii) every 2 years, include at least one 1.5 clock hour course that
4 outlines federal, State, and local fair housing laws and regulations, including fair housing
5 advertising;

6 (iv) every 2 years, include at least one 3 clock hour ethics course that
7 includes a discussion of:

8 1. the Maryland Code of Ethics; ~~AND~~

9 2. ~~t~~the practice of flipping;

10 3. fraudulent real estate practices; and

11 4. ~~t~~ professionalism as it relates to the Maryland Code of
12 Ethics, including a discussion relating to conflict resolution and a licensee's duty to respect
13 the public, peers, and property;

14 (v) every 2 years, include at least one 3 clock hour course that
15 includes the principles of real estate brokerage relationships and disclosures; and

16 (vi) every 2 years for the renewal of a real estate broker license and
17 the renewal of the license of an individual designated as a branch office manager or a team
18 leader, include at least one 3 clock hour course that includes the requirements of broker
19 supervision.

20 (3) For a licensee who was issued an initial license under § 17-309 of this
21 subtitle, the subject matter approved by the Commission shall include:

22 (i) at least one 3 clock hour course for each of the following topics:

23 1. outlining contract writing, standard contract provisions,
24 key regional contract requirements, and standard addenda and contingencies;

25 2. the principles of real estate brokerage relationships and
26 disclosures and disclosure requirements for sellers;

27 3. the principles of real estate practice in relation to:

28 A. advertising requirements for licensees;

29 B. the handling and disclosure of escrow funds; and

30 C. common ownership communities; and

1 4. property management and landlord and tenant laws; and

2 (ii) at least one 1.5 clock hour course for each of the following topics:

3 1. professionalism as it relates to the Maryland Code of
4 Ethics, including a discussion relating to conflict resolution and a licensee's duty of respect
5 for the public, peers, and property; and

6 2. real estate financing.

7 (4) The requirement of paragraph (2)(iii) of this subsection does not apply
8 to a licensee who provides real estate brokerage services solely in connection with
9 nonresidential real estate.

10 (5) To be acceptable for credit as a continuing education course under this
11 section, the course shall cover 1 or more topics approved by the Commission.

12 (c) (1) Continuing education courses may be conducted by:

13 (i) the Maryland Association of Realtors or its member boards;

14 (ii) the Real Estate Brokers of Baltimore, Inc.;

15 (iii) any similar professional association; or

16 (iv) an educational institution approved by the Commission.

17 (2) Continuing education courses shall be taught by a qualified instructor
18 who is experienced in the real estate industry.

19 (3) [On or before January 1, 2003, the] **THE** Commission shall adopt
20 regulations that provide for the conduct of continuing education instruction courses by[:

21 (i) remote access satellite;

22 (ii) closed-circuit video;

23 (iii) computer, including transmission over the Internet and the
24 World Wide Web;

25 (iv) home study; and

26 (v) any other delivery system approved by the Commission]
27 **VIRTUAL OR REMOTE MEANS.**

1 (4) To verify the identity of an individual enrolled in a continuing education
2 course, the entity that conducts the continuing education course shall require, as a
3 condition of participating in the course, that the individual provide:

4 (i) for an in-person course, a photo identification; and

5 (ii) for a virtual or other remote course, a signed affidavit attesting
6 to the identity of the individual.

7 (d) If feasible, continuing education courses shall be offered at reasonable
8 intervals in each county and in each major geographic area of the larger counties.

9 (e) [(1) Subject to subsection (f) of this section, on completion of a continuing
10 education course by a licensee, the entity that conducted the course or the instructor shall
11 issue to the licensee a certificate of completion that states the number of clock hours of that
12 course.

13 (2) The Commission shall accept as evidence of completion of a continuing
14 education course the certificate of completion, a photocopy of the certificate, an electronic
15 mail certificate, or a photocopy of an electronic mail certificate.

16 (f) (1) Instead of providing a certificate of completion to the licensee under
17 subsection (e) of this section,] **WITHIN 14 DAYS AFTER COMPLETION OF A CONTINUING**
18 **EDUCATION COURSE**, the entity that conducted the course may submit the course
19 completion information directly to the Commission and the licensee by electronic means.

20 [(2) On or after January 1, 2013, the Commission may require all entities
21 conducting continuing education courses to submit course completion information only by
22 electronic means.]

23 [(g)] **(F)** The Commission may waive the requirements of this section for a
24 licensee if the licensee shows good cause for being unable to meet the requirements.

25 [(h)] **(G)** The Commission shall require each course provider to pay a continuing
26 education course application fee of \$25.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2024.