



# Maryland Real Estate Brokers Act

Real Estate Empower, Inc.  
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<b>Title 17, Business Occupations and Professions,                      Annotated Code of Maryland,                      Real Estate Brokers</b>			
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§ 17-101.

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

(b) "Affiliate" means, unless the context requires otherwise, to establish between an individual and a real estate broker an employment or other contractual relationship under which the individual is authorized to provide real estate brokerage services on behalf of the real estate broker.

(c) "Associate real estate broker" means an individual:

(1) who meets the requirements for a real estate broker license under § 17-305 of this title but who applies for and is granted an associate real estate broker license under §§ 17-307 and 17-309 of this title; and

(2) who, under the associate real estate broker license, may provide real estate brokerage services on behalf of a licensed real estate broker with whom the associate real estate broker is affiliated.

(d) "Commission" means the State Real Estate Commission.

(e) "Guaranty Fund" means a real estate guaranty fund established by the Commission under § 17-402 of this title.

(f) "Hearing board" means a real estate hearing board appointed by the Commission under § 17-325 of this title.

(g) (1) "License" means, unless the context requires otherwise, a license issued by the Commission.

(2) "License" includes, unless the context requires otherwise:

(i) a real estate broker license;

(ii) an associate real estate broker license; and

(iii) a real estate salesperson license.

(h) "Licensed associate real estate broker" means, unless the context requires otherwise, an associate real estate broker who is licensed by the Commission to provide real estate brokerage services on behalf of a licensed real estate broker with whom the associate real estate broker is affiliated.

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

(j) "Licensed real estate salesperson" means, unless the context requires otherwise, a real estate salesperson who is licensed by the Commission to provide real estate brokerage services on behalf of a licensed real estate broker with whom the real estate salesperson is affiliated.

(k) "Licensee" means a licensed real estate broker, a licensed associate real estate broker, or a licensed real estate salesperson.

(l) "Provide real estate brokerage services" means to engage in any of the following activities:

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

- (i) selling, buying, exchanging, or leasing any real estate; or
- (ii) collecting rent for the use of any real estate;

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

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

(4) 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;

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

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

(m) (1) "Real estate" means any interest in real property that is located in this State or elsewhere.

(2) "Real estate" includes:

- (i) an interest in a condominium; and
- (ii) a time-share estate or a time-share license, as those terms are defined in § 11A-101 of the Real Property Article.

(n) "Real estate broker" means an individual who provides real estate brokerage services.

(o) "Real estate salesperson" means an individual who, while affiliated with and acting on behalf of a real estate broker, provides real estate brokerage services.

**§ 17-102.**

This title does not apply to:

- (1) a person while acting under a judgment or order of a court;
- (2) a public officer while performing the duties of office;
- (3) a person while engaging in a single transaction that involves the sale or lease of any real estate under a power of attorney executed by the owner of the real estate;
- (4) a licensed auctioneer while selling any real estate at public auction;
- (5) an owner or lessor of any real estate while managing, leasing, or selling the real estate, unless the primary business of the owner or lessor is providing real estate brokerage services; or
- (6) a person while acting in the capacity of:
  - (i) a receiver;
  - (ii) a trustee;
  - (iii) a personal representative; or
  - (iv) a guardian.

**§ 17-201.**

There is a State Real Estate Commission in the Department.

**§ 17-202.**

- (a) (1) The Commission consists of 9 members.
  - (2) Of the 9 members of the Commission:
    - (i) 5 shall be licensed real estate brokers, licensed associate real estate brokers, or licensed real estate salespersons; and
    - (ii) 4 shall be consumer members.
  - (3) Of the 5 professional members:



(i) 1 shall be a resident of any county in the area that consists of Cecil, Caroline, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester counties;

(ii) 1 shall be a resident of any county in the area that consists of Baltimore, Carroll, Harford, and Howard counties;

(iii) 1 shall be a resident of Baltimore City;

(iv) 1 shall be a resident of any county in the area that consists of Anne Arundel, Calvert, Charles, Prince George's, and St. Mary's counties; and

(v) 1 shall be a resident of any county in the area that consists of Allegany, Frederick, Garrett, Montgomery, and Washington counties.

(4) The Governor shall appoint the members with the advice of the Secretary and with the advice and consent of the Senate.

(b) Each member of the Commission shall be a citizen of the State.

(c) Each professional member of the Commission shall have been:

(1) a resident of any of the counties in the area from which the member is appointed for at least 5 years immediately before appointment; and

(2) a licensed real estate broker, a licensed associate real estate broker, or a licensed real estate salesperson for at least 10 years immediately before appointment.

(d) (1) Each consumer member of the Commission:

(i) shall be a member of the general public;

(ii) may not be a licensee or otherwise be subject to regulation by the Commission;

(iii) may not be required to meet the qualifications for the professional members of the Commission; and

(iv) may not, within 1 year before appointment, have had a financial interest in or have received compensation from a person regulated by the Commission.

(2) While a member of the Commission, a consumer member may not:

(i) have a financial interest in or receive compensation from a person regulated by the Commission; or

(ii) grade any examination given by or for the Commission.

(e) Before taking office, each appointee to the Commission shall take the oath required by Article I, § 9 of the Maryland Constitution.

(f) (1) The term of a member is 4 years and begins on June 1.

(2) The terms of members are staggered as required by the terms provided for members of the Commission on October 1, 1989.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(g) The Governor may remove a member for incompetence or misconduct.

**§ 17-203.**

(a) From among its members, the Commission annually shall elect a chairman.

(b) (1) The term of the chairman is 1 year.

(2) At the end of a term, the chairman may be reelected.

(c) The chairman shall perform the duties that this title and the Commission require.

(d) While in office, the chairman shall be covered by a surety bond in the form and amount required by law.

**§ 17-204.**

(a) A majority of the members then serving on the Commission is a quorum.

(b) (1) The Commission shall meet at least once a month, at the times and places that the Commission determines.

(2) Within a reasonable time after giving notice to the Commission, a member of the public is entitled to be heard, at a meeting of the Commission, on any matter within the jurisdiction of the Commission.

(c) Each member of the Commission is entitled to:

(1) compensation in accordance with the State budget; and

(2) reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

**§ 17-205.**

(a) (1) The Secretary shall appoint the executive director of the Commission from a list of 3 nominees submitted by the Commission.

(2) The executive director serves at the pleasure of the Secretary.

(b) The executive director shall:

(1) possess a broad knowledge of generally accepted practices in the real estate business in the State; and

(2) be reasonably well informed of the general laws that govern agency and contracts for the conveyance or leasing of real estate.

(c) (1) The executive director shall devote full time to the duties of office.

(2) The executive director may not hold any position or engage in another business that:

(i) interferes with the position of executive director; or

(ii) might conflict with the position of executive director.

(3) While employed by the Commission, the executive director may not:

(i) be licensed in any state as a real estate broker, an associate real estate broker, or a real estate salesperson;

(ii) engage in any act for which a license is required under this title; or

(iii) in connection with any real estate transaction, directly or indirectly receive or become entitled to receive any fee, perquisite, or compensation.

(d) The executive director is entitled to:

(1) compensation in accordance with the State budget; and

(2) reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(e) The executive director is a special appointment in the State Personnel Management System.

(f) While employed as executive director, the executive director shall be covered by a surety bond in the form and amount required by law.

**§ 17-206.**

(a) The Commission may employ a staff in accordance with the State budget.

(b) The Commission, in accordance with the State budget, may employ an investigative staff to conduct investigations.

(c) While employed by the Commission, an individual may not:

(1) be licensed in any state as a real estate broker, an associate real estate broker, or a real estate salesperson;

(2) engage in any act for which a license is required under this title; or

(3) in connection with any real estate transaction, directly or indirectly receive or become entitled to receive any fee, perquisite, or compensation.

**§ 17-207.**

(a) To protect the interests of the public, the Commission shall adopt, by regulation, a code of ethics to set standards of conduct for all individuals licensed under this title.

(b) The Commission:

(1) at least once every 2 years, shall provide a copy of the code of ethics to each licensee; and

(2) on request of any person, shall make available a copy of the code of ethics to that person.

**§ 17-208.**

(a) The Commission may adopt:

(1) reasonable bylaws for the conduct of its proceedings;

(2) reasonable regulations for the conduct of hearings;

(3) reasonable regulations to govern applications for licenses; and

(4) subject to subsection (c) of this section, reasonable regulations to carry out this title.

(b) The Commission shall adopt guidelines that establish a schedule for the prompt and timely processing and resolution of each complaint made to the Commission.

(c) The Commission may not adopt a regulation that would allow the issuance of a conditional or temporary license.

(d) The Commission:

(1) at least once every 2 years, shall provide a copy of the regulations adopted under this title to each licensee; and

(2) on request of any person, shall make available a copy of the regulations to that person.

**§ 17-209.**

(a) (1) The Commission shall administer and enforce the provisions of this title.

(2) In connection with any disciplinary action under Subtitle 3 of this title or any investigation or proceeding brought for an alleged violation of this title, the Commission, a hearing board, the executive director of the Commission, or the assistant director of the Commission may:

(i) hold hearings;

(ii) administer oaths;

(iii) issue a subpoena for the attendance of a witness to testify or the production of evidence; and

(iv) take depositions in the same manner as provided in civil cases in the State.

(3) If a person fails to comply with a subpoena issued under this subsection, on petition of the Commission or another party, a circuit court may compel compliance with the subpoena.

(b) (1) If the Commission concludes that conduct alleged to be a violation of any provision of this title may result in irreparable harm to a person, the Commission may sue to enforce a provision of this title by ex parte, interlocutory, or final injunction.

(2) In seeking an injunction under this subsection, the Commission is not required to:

(i) post bond, if the injunction is sought against a person who does not hold a license issued under this title; or

(ii) allege or prove that an adequate remedy at law does not exist.

(c) (1) Subject to the provisions of this section, the Commission shall conduct an investigation that relates to any complaint alleging that an unauthorized person has provided real estate brokerage services.

(2) A complaint shall:

- (i) be in writing;
- (ii) state specifically the facts on which the complaint is based; and
- (iii) be filed with the Commission.

(3) If a complaint is made by any person other than a member of the Commission, the complaint shall be made under oath by the person who submits the complaint.

**§ 17-210.**

The Commission shall submit to the Secretary an annual report of the activities of the Commission that includes:

- (1) a statement of the total receipts from license fees;
- (2) a statement of the total expenditures of the Commission;
- (3) the number of real estate broker licenses, associate real estate broker licenses, and real estate salesperson licenses issued in each county;
- (4) the number of hearings held;
- (5) the number of complaints received;
- (6) the number of investigations made;
- (7) the number of applications for licenses denied;
- (8) the total number of licenses suspended or revoked;
- (9) the number of cases resolved within the schedule adopted under § 17-208(b) of this subtitle; and
- (10) any other information that reflects the work of the Commission.

**§ 17-211.**

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

(a) On request of any person and payment of a fee of \$10, the Commission shall certify the licensing status and qualifications of any person who is the subject of the request.

(b) Each certification under this section:

(1) shall include a statement of the licensing status of the person who is the subject of the request; and

(2) may include:

(i) information about the examination results and other qualifications of that person;

(ii) information about the dates of issuance and renewal of the license of that person;

(iii) information about any disciplinary action taken against that person; and

(iv) if authorized by that person, information about any complaint against that person.

(c) The Commission shall collect a fee of \$10 for each certification under this section.

\*\* SPECIAL NOTE: EFFECTIVE - JULY 1, 2006 - CHAPTER 399 - 2005 \*\*

(a) On request of any person and payment of a fee of \$10, the Commission shall certify the licensing status and qualifications of any person who is the subject of the request.

(b) Each certification under this section:

(1) shall include a statement of the licensing status of the person who is the subject of the request; and

(2) may include:

(i) information about the examination results and other qualifications of that person;

(ii) information about the dates of issuance and renewal of the license of that person;

(iii) information about any disciplinary action taken against that person; and

(iv) if authorized by that person, information about any complaint against that person.

(c) The Commission shall collect a fee set by the Commission for each certification under this section.

**§ 17-212.**

In addition to any powers and duties set forth elsewhere, the Commission has the following powers and duties:

- (1) to adopt a seal;
- (2) to use the seal to authenticate its proceedings; and
- (3) to approve educational courses.

**§ 17-213.**

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

Except as otherwise provided by law, the Commission shall pay all money collected under this title into the General Fund of the State.

\*\* SPECIAL NOTE: EFFECTIVE - JULY 1, 2006 - CHAPTER 399 - 2005 \*\*

- (a) (1) Beginning on July 1, 2007, the Commission may set by regulation reasonable fees for its services.
  - (2) The fees charged shall be:
    - (i) set so as to produce funds to approximate the cost of maintaining the Commission; and
    - (ii) based on the calculations performed by the Secretary of Labor, Licensing, and Regulation under § 2-106.4 of the Business Regulation Article.
  - (b) The Commission shall publish the fee schedule set by the Commission.
  - (c) (1) Beginning on July 1, 2006, the Commission shall pay all fees collected under this title to the Comptroller.
    - (2) The Comptroller shall distribute the fees to the State Real Estate Commission Fund established in § 2-106.3 of the Business Regulation Article.

**§ 17-214.**

The Commission exercises its powers, duties, and functions subject to the authority of the Secretary.



**§ 17-301.**

(a) (1) Except as otherwise provided in this title, an individual shall be licensed by the Commission as a real estate broker before the individual may provide real estate brokerage services in the State.

(2) Except as otherwise provided in this title, an individual shall 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.

(b) A license is not required for:

(1) a financial institution, as defined in Title 1 of the Financial Institutions Article, a subsidiary or affiliate of such a financial institution, or mortgage loan institution incorporated under the laws of any state or of the United States to manage, lease, or sell any property that the institution or subsidiary or affiliate of a financial institution acquires in connection with a mortgage foreclosure or deed or assignment in lieu of foreclosure;

(2) a lawyer who:

(i) is not engaged regularly in the business of providing real estate brokerage services; and

(ii) 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;

(3) a home builder in the rental or initial sale of a home constructed by the builder;

(4) an agent of a licensed real estate broker or of an owner of real estate while managing or leasing that real estate for the real estate broker or owner;

(5) any person in negotiating the sale, lease, or other transfer of a business enterprise if the proposed transfer does not include any interest in real property other than a lease under which the business enterprise operates; or

(6) any person to subdivide and sell unimproved property owned by that person if the person meets the requirements of § 17-302 of this subtitle.

**§ 17-302.**

(a) An individual is not required to hold a license under this subtitle to:

(1) sell, in a calendar year, 6 or fewer unimproved lots that the individual owns; or

(2) subdivide and sell unimproved property that the individual owns for 10 years or more.

(b) To measure time under subsection (a)(2) of this section, if the ownership of property passes by inheritance to successive individuals, an individual who inherits the property may add the time that the property was owned by preceding individuals in the line of inheritance to the time that the property is owned by that individual.

(c) To determine ownership under subsection (a)(2) of this section, an individual shall be considered the owner of property that is titled to a corporation if:

(1) during the period in question:

(i) the corporation was wholly owned by the individual or the heirs of the individual; and

(ii) the individual or the heirs of the individual were personally liable for all indebtedness or claims relating to the property; and

(2) the individual or the heirs of the individual remain personally liable for all indebtedness or claims relating to the property that arose during the period in question.

**§ 17-303.**

(a) To qualify for a real estate salesperson license, an applicant shall be an individual who meets the requirements of this section.

(b) An applicant shall be of good character and reputation.

(c) An applicant shall be at least 18 years old.

(d) An applicant shall have completed successfully:

(1) a basic course in real estate approved by the Commission that:

(i) does not require more than 60 clock hours of classroom instruction; and

(ii) includes a 3 clock hour course in real estate ethics approved by the Commission; or

(2) if approved by the Commission as an alternative, courses in real estate subjects in any college, including a 3 clock hour course in real estate ethics approved by the Commission.

(e) An applicant shall pass an examination given by the Commission under § 17-306 of this subtitle.

(f) An applicant shall obtain, from a licensed real estate broker, a commitment providing that the applicant shall become affiliated with the licensed real estate broker as a real estate salesperson on the granting of a real estate salesperson license to the applicant.

(g) An applicant shall meet any other requirement that the Commission establishes to ensure that only individuals who are professionally competent and of good character and reputation are licensed.

**§ 17-304.**

(a) To qualify for an associate real estate broker license, an applicant shall be an individual who meets the requirements of this section.

(b) An applicant shall meet the requirements for a real estate broker license under § 17-305 of this subtitle.

(c) An applicant shall obtain, from a licensed real estate broker, a commitment providing that the applicant shall become affiliated with the licensed real estate broker as an associate real estate broker on the granting of an associate real estate broker license to the applicant.

**§ 17-305.**

(a) To qualify for a real estate broker license, an applicant shall be an individual who meets the requirements of this section.

(b) An applicant shall be of good character and reputation.

(c) An applicant shall be at least 18 years old.

(d) (1) Except as provided in paragraph (2) of this subsection, an applicant shall:

(i) have completed successfully a course in real estate approved by the Commission for real estate brokers that includes a 3 clock hour course in real estate ethics approved by the Commission; and

(ii) have been a licensed real estate salesperson and have actively and lawfully provided real estate brokerage services for at least 3 years.

(2) If an applicant is qualified to practice law in the State, the Commission shall waive the educational and experience requirements of paragraph (1) of this subsection for that applicant.

(e) An applicant shall pass an examination given by the Commission under § 17-306 of this subtitle.

(f) An applicant shall meet any other requirement that the Commission establishes to ensure that only individuals who are professionally competent and of good character and reputation are licensed.

**§ 17-306.**

**CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE**

(a) An applicant who otherwise qualifies for a license is entitled to be examined as provided in this section.

(b) The Commission periodically shall give examinations to applicants at the times and places that the Commission determines.

(c) Except as provided in subsection (f)(2)(ii) of this section, the Commission shall give each qualified applicant notice of the time and place of examination.

(d) To take an examination, an applicant shall pay:

(1) to the Commission, a \$10 examination fee; and

(2) to the Commission or a testing service chosen by the Commission, an amount covering the cost of the examination.

(e) (1) Except as otherwise provided in this subsection, the Commission shall determine the subjects, scope, and form of and the passing score for examinations given under this subtitle.

(2) To ensure the protection of the interests of those persons who are represented by licensed real estate brokers, the Commission shall structure the examinations for a real estate broker license to test:

(i) the ability of an applicant to perform the services authorized by a real estate broker license; and

(ii) the knowledge of the applicant of the general practice for handling real estate transactions.

(3) The examinations shall be written.

(4) To eliminate the possibility of discrimination in the administration of the examination, each copy of an examination for a particular license given on a particular date shall contain the same questions. However, the questions may be in different order.

(f) (1) The Commission may use a testing service to administer the examinations under this section.

(2) If the Commission uses a testing service under this subsection, the testing service, subject to the requirements set by the Commission, may:

- (i) set the times and places of examinations; and
- (ii) give applicants notice of the examinations.

\*\* SPECIAL NOTE: EFFECTIVE - JULY 1, 2006 - CHAPTER 399 - 2005 \*\*

(a) An applicant who otherwise qualifies for a license is entitled to be examined as provided in this section.

(b) The Commission periodically shall give examinations to applicants at the times and places that the Commission determines.

(c) Except as provided in subsection (f)(2)(ii) of this section, the Commission shall give each qualified applicant notice of the time and place of examination.

(d) To take an examination, an applicant shall pay:

(1) to the Commission, an examination fee set by the Commission; and

(2) to the Commission or a testing service chosen by the Commission, an amount covering the cost of the examination.

(e) (1) Except as otherwise provided in this subsection, the Commission shall determine the subjects, scope, and form of and the passing score for examinations given under this subtitle.

(2) To ensure the protection of the interests of those persons who are represented by licensed real estate brokers, the Commission shall structure the examinations for a real estate broker license to test:

(i) the ability of an applicant to perform the services authorized by a real estate broker license; and

(ii) the knowledge of the applicant of the general practice for handling real estate transactions.

(3) The examinations shall be written.

(4) To eliminate the possibility of discrimination in the administration of the examination, each copy of an examination for a particular license given on a particular date shall contain the same questions. However, the questions may be in different order.

(f) (1) The Commission may use a testing service to administer the examinations under this section.

(2) If the Commission uses a testing service under this subsection, the testing service, subject to the requirements set by the Commission, may:

- (i) set the times and places of examinations; and
- (ii) give applicants notice of the examinations.

**§ 17-307.**

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

(a) An applicant for a license:

(1) shall submit to the Commission an application on the form that the Commission provides;

(2) if a testing service was used to administer the examination, shall submit to the Commission a copy of the examination results of the applicant;

(3) shall pay into the Guaranty Fund any fee required under § 17-403 of this title;

(4) shall pay to the Commission an application fee of:

- (i) \$95 for a real estate broker license;
- (ii) \$65 for an associate real estate broker license; or
- (iii) \$45 for a real estate salesperson license; and

(5) shall submit to the Commission any additional information or documentation that the Commission requires, including any information or documentation to determine the professional competence or the good character and reputation of the applicant.

(b) If the applicant is applying for a real estate broker license, the applicant:

(1) shall have submitted to the Commission, by a credit reporting agency approved by the Commission, a credit report that contains the information required by the Commission; or

(2) shall have paid to the Commission or the Commission's designee a credit report fee in an amount not to exceed the cost charged by a credit reporting agency approved by the Commission to obtain a credit report that contains the information required by the Commission.

(c) If the applicant is applying for a real estate salesperson or associate real estate broker license, the applicant shall submit to the Commission adequate evidence that the

applicant has obtained, from a licensed real estate broker, a commitment providing that the applicant shall become affiliated with the licensed real estate broker as a real estate salesperson or an associate real estate broker on the granting of a real estate salesperson license or an associate real estate broker license to the applicant.

(d) If the applicant currently is licensed as a real estate salesperson or an associate real estate broker, the applicant shall submit to the Commission a copy of the written notice required under § 17-313 of this subtitle informing each real estate broker with whom the applicant currently is affiliated that the applicant intends to affiliate with an additional real estate broker or to obtain a real estate broker license.

(e) If the applicant is not a resident of this State, the applicant shall submit to the Commission a consent and any related document required under § 17-514 of this title.

\*\* SPECIAL NOTE: EFFECTIVE - JULY 1, 2006 - CHAPTER 399 - 2005 \*\*

(a) An applicant for a license:

(1) shall submit to the Commission an application on the form that the Commission provides;

(2) if a testing service was used to administer the examination, shall submit to the Commission a copy of the examination results of the applicant;

(3) shall pay into the Guaranty Fund any fee required under § 17-403 of this title;

(4) shall pay to the Commission a fee set by the Commission; and

(5) shall submit to the Commission any additional information or documentation that the Commission requires, including any information or documentation to determine the professional competence or the good character and reputation of the applicant.

(b) If the applicant is applying for a real estate broker license, the applicant:

(1) shall have submitted to the Commission, by a credit reporting agency approved by the Commission, a credit report that contains the information required by the Commission; or

(2) shall have paid to the Commission or the Commission's designee a credit report fee in an amount not to exceed the cost charged by a credit reporting agency approved by the Commission to obtain a credit report that contains the information required by the Commission.

(c) If the applicant is applying for a real estate salesperson or associate real estate broker license, the applicant shall submit to the Commission adequate evidence that the applicant has obtained, from a licensed real estate broker, a commitment providing that the applicant shall become affiliated with the licensed real estate broker as a real estate

salesperson or an associate real estate broker on the granting of a real estate salesperson license or an associate real estate broker license to the applicant.

(d) If the applicant currently is licensed as a real estate salesperson or an associate real estate broker, the applicant shall submit to the Commission a copy of the written notice required under § 17-313 of this subtitle informing each real estate broker with whom the applicant currently is affiliated that the applicant intends to affiliate with an additional real estate broker or to obtain a real estate broker license.

(e) If the applicant is not a resident of this State, the applicant shall submit to the Commission a consent and any related document required under § 17-514 of this title.

**§ 17-308.**

(a) Subject to the provisions of this section, the Commission may waive any requirement of this subtitle for a particular license for an applicant who holds a comparable or equivalent license granted by another state.

(b) The Commission may grant a waiver under this section only if the applicant:

(1) pays the application fee required under § 17-307 of this subtitle for the license for which the applicant is applying;

(2) provides adequate evidence that the applicant meets the qualifications otherwise required by this subtitle for the license for which the applicant is applying;

(3) submits a certified copy of the applicant's license from the other state that is comparable or equivalent to the license for which the applicant is applying; and

(4) if the applicant holds a license comparable or equivalent to a real estate broker license, provides adequate evidence that the applicant actively maintains an office in the other state.

**§ 17-309.**

(a) On compliance by the applicant with the procedures under § 17-307 of this subtitle, the Commission shall grant an appropriate license to each applicant who meets the requirements under this subtitle for that license.

(b) The Commission shall issue an appropriate license certificate and pocket card to each applicant who has been granted a license under this section.

(c) (1) Subject to paragraph (2) of this subsection, the Commission shall determine the size, form, and content of any license certificate or pocket card that the Commission issues.



(2) On each license certificate that the Commission issues to an associate real estate broker or real estate salesperson, the Commission shall include the name of the firm of the licensed real estate broker for whom the associate real estate broker or real estate salesperson is licensed to provide real estate brokerage services.

**§ 17-310.**

(a) While a real estate broker license is in effect, it authorizes the licensee to provide real estate brokerage services.

(b) (1) While an associate real estate broker or real estate salesperson license is in effect, it authorizes the licensee to provide real estate brokerage services on behalf of a licensed real estate broker:

(i) who is named in the license certificate of the associate real estate broker or real estate salesperson; and

(ii) with whom the associate real estate broker or real estate salesperson is affiliated.

(2) An associate real estate broker or real estate salesperson license does not authorize the licensee to provide real estate brokerage services on the licensee's own behalf or on behalf of any person other than a licensed real estate broker named in the license certificate of the associate real estate broker or real estate salesperson.

**§ 17-311.**

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

(a) A licensed real estate salesperson may transfer affiliation from a licensed real estate broker to another licensed real estate broker, if the real estate salesperson:

(1) obtains, from the other licensed real estate broker, a commitment providing that, on cancellation of the current affiliation of the real estate salesperson and issuance of a new license certificate and pocket card to the real estate salesperson, the real estate salesperson shall become affiliated with the licensed real estate broker as a real estate salesperson; and

(2) complies with the application procedures under subsection (c) of this section.

(b) A licensed associate real estate broker may transfer affiliation from a licensed real estate broker to another licensed real estate broker, if the associate real estate broker:

(1) obtains, from the other licensed real estate broker, a commitment providing that, on cancellation of the current affiliation of the associate broker and issuance of a new license certificate and pocket card to the associate broker, the associate broker shall become affiliated with the licensed real estate broker as an associate real estate broker; and

(2) complies with the application procedures under subsection (c) of this section.

(c) To transfer affiliation under this section, a qualified real estate salesperson or associate real estate broker shall:

(1) surrender the license certificate and pocket card of the salesperson or associate broker to the Commission;

(2) submit to the Commission a transfer application on the form that the Commission provides;

(3) submit to the Commission:

(i) acknowledgment from the licensed real estate broker with whom the salesperson or associate broker currently is affiliated that the affiliation is terminated; or

(ii) a statement from the salesperson or associate broker that the current affiliation of the salesperson or associate broker is terminated;

(4) submit to the Commission adequate evidence that the salesperson or associate broker has obtained, from a licensed real estate broker, a commitment providing that the salesperson or associate broker shall become affiliated with the licensed real estate broker as a real estate salesperson or an associate real estate broker on cancellation of the current affiliation of the salesperson or associate broker and issuance of a new license certificate and pocket card to the salesperson or associate broker; and

(5) pay to the Commission a transfer fee of \$10.

(d) On compliance by the applicant with the procedures of subsection (c) of this section, the Commission shall issue a new license certificate and pocket card to each real estate salesperson and associate real estate broker who meets the applicable requirements under this subtitle.

\*\* SPECIAL NOTE: EFFECTIVE - JULY 1, 2006 - CHAPTER 399 - 2005 \*\*

(a) A licensed real estate salesperson may transfer affiliation from a licensed real estate broker to another licensed real estate broker, if the real estate salesperson:

(1) obtains, from the other licensed real estate broker, a commitment providing that, on cancellation of the current affiliation of the real estate salesperson and issuance of a new license certificate and pocket card to the real estate salesperson, the real estate salesperson shall become affiliated with the licensed real estate broker as a real estate salesperson; and

(2) complies with the application procedures under subsection (c) of this section.

(b) A licensed associate real estate broker may transfer affiliation from a licensed real estate broker to another licensed real estate broker, if the associate real estate broker:

(1) obtains, from the other licensed real estate broker, a commitment providing that, on cancellation of the current affiliation of the associate broker and issuance of a new license certificate and pocket card to the associate broker, the associate broker shall become affiliated with the licensed real estate broker as an associate real estate broker; and

(2) complies with the application procedures under subsection (c) of this section.

(c) To transfer affiliation under this section, a qualified real estate salesperson or associate real estate broker shall:

(1) surrender the license certificate and pocket card of the salesperson or associate broker to the Commission;

(2) submit to the Commission a transfer application on the form that the Commission provides;

(3) submit to the Commission:

(i) acknowledgment from the licensed real estate broker with whom the salesperson or associate broker currently is affiliated that the affiliation is terminated; or

(ii) a statement from the salesperson or associate broker that the current affiliation of the salesperson or associate broker is terminated;

(4) submit to the Commission adequate evidence that the salesperson or associate broker has obtained, from a licensed real estate broker, a commitment providing that the salesperson or associate broker shall become affiliated with the licensed real estate broker as a real estate salesperson or an associate real estate broker on cancellation of the current affiliation of the salesperson or associate broker and issuance of a new license certificate and pocket card to the salesperson or associate broker; and

(5) pay to the Commission a transfer fee set by the Commission.

(d) On compliance by the applicant with the procedures of subsection (c) of this section, the Commission shall issue a new license certificate and pocket card to each real estate salesperson and associate real estate broker who meets the applicable requirements under this subtitle.

**§ 17-312.**

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

(a) A licensed real estate salesperson may exchange a real estate salesperson license for an associate real estate broker license and become affiliated with a licensed real estate broker as an associate real estate broker, if the real estate salesperson:

- (1) has previously held an associate real estate broker license or a real estate broker license;
- (2) has held a license continuously since initially being licensed as an associate real estate broker or a real estate broker;
- (3) obtains, from a licensed real estate broker, a commitment providing that, on the granting of an associate real estate broker license to the real estate salesperson, the real estate salesperson shall become affiliated with the broker as an associate real estate broker; and
- (4) complies with the application procedures under subsection (g) of this section.

(b) A licensed real estate salesperson may exchange a real estate salesperson license for a real estate broker license, if the salesperson:

- (1) has previously held an associate real estate broker license or a real estate broker license;
- (2) has held a license continuously since initially being licensed as an associate real estate broker or a real estate broker; and
- (3) complies with the application procedures under subsection (g) of this section.

(c) A licensed associate real estate broker may exchange an associate real estate broker license for a real estate salesperson license and become affiliated with a licensed real estate broker as a real estate salesperson, if the associate broker:

- (1) obtains, from a licensed real estate broker, a commitment providing that, on the granting of a real estate salesperson license to the associate broker, the associate broker shall become affiliated with the licensed real estate broker; and
- (2) complies with the application procedures under subsection (g) of this section.

(d) A licensed associate real estate broker may exchange an associate real estate broker license for a real estate broker license if the associate broker complies with the application procedures under subsection (g) of this section.

(e) A licensed real estate broker may exchange a real estate broker license for a real estate salesperson license and become affiliated with another licensed real estate broker as a real estate salesperson, if the broker:

(1) obtains, from the other licensed real estate broker, a commitment providing that, on the granting of a real estate salesperson license to the real estate broker, that individual shall become affiliated with the other broker as a real estate salesperson; and

(2) complies with the application procedures under subsection (g) of this section.

(f) A licensed real estate broker may exchange a real estate broker license for an associate real estate broker license and become affiliated with another licensed real estate broker as an associate real estate broker, if the broker:

(1) obtains, from the other licensed real estate broker, a commitment providing that, on the granting of an associate real estate broker license to the real estate broker, that individual shall become affiliated with the other real estate broker as an associate real estate broker; and

(2) complies with the application procedures under subsection (g) of this section.

(g) To exchange a license for another license, a qualified licensee shall:

(1) surrender the current license certificate and pocket card of the licensee to the Commission;

(2) submit to the Commission an application on the form that the Commission provides;

(3) if exchanging a real estate salesperson license or an associate real estate broker license for another license, submit to the Commission:

(i) acknowledgment from the licensed real estate broker with whom the licensee currently is affiliated that the affiliation is terminated; or

(ii) a statement from the licensee that the current affiliation of the licensee is terminated;

(4) if exchanging a license for a real estate salesperson license or an associate real estate broker license, submit to the Commission adequate evidence that the licensee has obtained, from a licensed real estate broker, a commitment providing that the licensee shall become affiliated with the broker as a real estate salesperson or an associate real estate broker on the granting of a new license to the licensee;

(5) pay to the Commission an application fee of:

(i) \$95 for a real estate broker license;

(ii) \$65 for an associate real estate broker license; or

(iii) \$45 for a real estate salesperson license; and

(6) submit to the Commission any additional information or documentation that the Commission requires.

(h) On compliance by the applicant with the procedures of this section, the Commission shall cancel the current license of and grant an appropriate new license to each individual who meets the applicable requirements under this subtitle.

(i) The Commission shall issue an appropriate license certificate and pocket card to each individual who has been granted a license under subsection (h) of this section.

\*\* SPECIAL NOTE: EFFECTIVE - JULY 1, 2006 - CHAPTER 399 - 2005 \*\*

(a) A licensed real estate salesperson may exchange a real estate salesperson license for an associate real estate broker license and become affiliated with a licensed real estate broker as an associate real estate broker, if the real estate salesperson:

(1) has previously held an associate real estate broker license or a real estate broker license;

(2) has held a license continuously since initially being licensed as an associate real estate broker or a real estate broker;

(3) obtains, from a licensed real estate broker, a commitment providing that, on the granting of an associate real estate broker license to the real estate salesperson, the real estate salesperson shall become affiliated with the broker as an associate real estate broker; and

(4) complies with the application procedures under subsection (g) of this section.

(b) A licensed real estate salesperson may exchange a real estate salesperson license for a real estate broker license, if the salesperson:

(1) has previously held an associate real estate broker license or a real estate broker license;

(2) has held a license continuously since initially being licensed as an associate real estate broker or a real estate broker; and

(3) complies with the application procedures under subsection (g) of this section.

(c) A licensed associate real estate broker may exchange an associate real estate broker license for a real estate salesperson license and become affiliated with a licensed real estate broker as a real estate salesperson, if the associate broker:

(1) obtains, from a licensed real estate broker, a commitment providing that, on the granting of a real estate salesperson license to the associate broker, the associate broker shall become affiliated with the licensed real estate broker; and

(2) complies with the application procedures under subsection (g) of this section.

(d) A licensed associate real estate broker may exchange an associate real estate broker license for a real estate broker license if the associate broker complies with the application procedures under subsection (g) of this section.

(e) A licensed real estate broker may exchange a real estate broker license for a real estate salesperson license and become affiliated with another licensed real estate broker as a real estate salesperson, if the broker:

(1) obtains, from the other licensed real estate broker, a commitment providing that, on the granting of a real estate salesperson license to the real estate broker, that individual shall become affiliated with the other broker as a real estate salesperson; and

(2) complies with the application procedures under subsection (g) of this section.

(f) A licensed real estate broker may exchange a real estate broker license for an associate real estate broker license and become affiliated with another licensed real estate broker as an associate real estate broker, if the broker:

(1) obtains, from the other licensed real estate broker, a commitment providing that, on the granting of an associate real estate broker license to the real estate broker, that individual shall become affiliated with the other real estate broker as an associate real estate broker; and

(2) complies with the application procedures under subsection (g) of this section.

(g) To exchange a license for another license, a qualified licensee shall:

(1) surrender the current license certificate and pocket card of the licensee to the Commission;

(2) submit to the Commission an application on the form that the Commission provides;

(3) if exchanging a real estate salesperson license or an associate real estate broker license for another license, submit to the Commission:

(i) acknowledgment from the licensed real estate broker with whom the licensee currently is affiliated that the affiliation is terminated; or

(ii) a statement from the licensee that the current affiliation of the licensee is terminated;

(4) if exchanging a license for a real estate salesperson license or an associate real estate broker license, submit to the Commission adequate evidence that the licensee has obtained, from a licensed real estate broker, a commitment providing that the licensee shall

become affiliated with the broker as a real estate salesperson or an associate real estate broker on the granting of a new license to the licensee;

(5) pay to the Commission an application fee set by the Commission; and

(6) submit to the Commission any additional information or documentation that the Commission requires.

(h) On compliance by the applicant with the procedures of this section, the Commission shall cancel the current license of and grant an appropriate new license to each individual who meets the applicable requirements under this subtitle.

(i) The Commission shall issue an appropriate license certificate and pocket card to each individual who has been granted a license under subsection (h) of this section.

**§ 17-313.**

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

(a) A licensed real estate salesperson may obtain an additional real estate salesperson license and become affiliated with an additional licensed real estate broker as a real estate salesperson, if the salesperson:

(1) obtains, from an additional licensed real estate broker, a commitment providing that the salesperson shall become affiliated with the broker as a real estate salesperson on the granting of an additional real estate salesperson license to the salesperson;

(2) gives each real estate broker with whom the salesperson currently is affiliated written notice that the salesperson intends to affiliate with an additional real estate broker; and

(3) complies with the application procedures under subsection (j) of this section.

(b) A licensed real estate salesperson may obtain an associate real estate broker license and become affiliated with an additional licensed real estate broker as an associate real estate broker, if the salesperson:

(1) (i) meets the requirements for an associate real estate broker license under § 17-304 of this subtitle;

(ii) gives each real estate broker with whom the salesperson currently is affiliated written notice that the salesperson intends to affiliate with an additional real estate broker; and

(iii) complies with the application procedures under § 17-307 of this subtitle;  
or



(2) (i) has previously held an associate real estate broker license or a real estate broker license;

(ii) has held a license continuously since initially being licensed as an associate real estate broker or a real estate broker;

(iii) obtains, from an additional licensed real estate broker, a commitment providing that the salesperson shall become affiliated with the broker as an associate real estate broker on the granting of an associate real estate broker license to the salesperson;

(iv) gives each real estate broker with whom the salesperson currently is affiliated written notice that the salesperson intends to affiliate with an additional real estate broker; and

(v) complies with the application procedures under subsection (j) of this section.

(c) A licensed real estate salesperson may obtain a real estate broker license, if the salesperson:

(1) (i) meets the requirements for a real estate broker license under § 17-305 of this subtitle;

(ii) gives each real estate broker with whom the salesperson currently is affiliated written notice that the salesperson intends to obtain a real estate broker license; and

(iii) complies with the application procedures under § 17-307 of this subtitle;  
or

(2) (i) has previously held an associate real estate broker license or a real estate broker license;

(ii) has held a license continuously since initially being licensed as an associate real estate broker or a real estate broker;

(iii) gives each real estate broker with whom the salesperson currently is affiliated written notice that the salesperson intends to obtain a real estate broker license; and

(iv) complies with the application procedures under subsection (j) of this section.

(d) A licensed associate real estate broker may obtain an additional associate real estate broker license and become affiliated with an additional licensed real estate broker as an associate real estate broker, if the associate broker:

(1) obtains, from an additional licensed real estate broker, a commitment providing that the associate broker shall become affiliated with the broker as an associate

real estate broker on the granting of an additional associate real estate broker license to the associate broker;

(2) gives each real estate broker with whom the associate broker currently is affiliated written notice that the associate broker intends to affiliate with an additional real estate broker; and

(3) complies with the application procedures under subsection (j) of this section.

(e) A licensed associate real estate broker may obtain a real estate salesperson license and become affiliated with an additional licensed real estate broker as a real estate salesperson, if the associate broker:

(1) obtains, from an additional licensed real estate broker, a commitment providing that the associate broker shall become affiliated with the broker as a real estate salesperson on the granting of a real estate salesperson license to the associate broker;

(2) gives each real estate broker with whom the associate broker currently is affiliated written notice that the associate broker intends to affiliate with an additional real estate broker; and

(3) complies with the application procedures under subsection (j) of this section.

(f) A licensed associate real estate broker may obtain a real estate broker license, if the associate broker:

(1) gives each real estate broker with whom the associate broker currently is affiliated written notice that the associate broker intends to obtain a real estate broker license; and

(2) complies with the application procedures under subsection (j) of this section.

(g) A licensed real estate broker may obtain a real estate salesperson license and become affiliated with another licensed real estate broker as a real estate salesperson, if the broker:

(1) obtains, from another licensed real estate broker, a commitment providing that the broker shall become affiliated with the other broker as a real estate salesperson on the granting of a real estate salesperson license to the broker; and

(2) complies with the application procedures under subsection (j) of this section.

(h) A licensed real estate broker may obtain an associate real estate broker license and become affiliated with another licensed real estate broker as an associate real estate broker, if the broker:

(1) obtains, from another licensed real estate broker, a commitment providing that the broker shall become affiliated with the other broker as an associate real estate broker on the granting of an associate real estate broker license to the broker; and

(2) complies with the application procedures under subsection (j) of this section.

(i) (1) A licensed real estate broker shall obtain a real estate broker license for each real estate brokerage operated by the real estate broker.

(2) In order to receive an additional real estate broker license, a licensed real estate broker shall comply with the application procedures under subsection (j)(1),(4), and (5) of this section.

(j) To obtain an additional license, a qualified licensee shall:

(1) submit to the Commission an application on the form that the Commission provides;

(2) if applying for a real estate salesperson or associate real estate broker license, submit to the Commission adequate evidence that the licensee has obtained, from a licensed real estate broker, a commitment providing that the licensee shall become affiliated with the broker as a real estate salesperson or an associate real estate broker on the granting of an additional license to the licensee;

(3) if currently licensed as a real estate salesperson or an associate real estate broker, submit to the Commission a copy of the written notice informing each real estate broker with whom the licensee currently is affiliated that the licensee intends to affiliate with an additional real estate broker or obtain a real estate broker license;

(4) pay to the Commission an application fee of:

(i) \$95 for a real estate broker license;

(ii) \$65 for an associate real estate broker license; or

(iii) \$45 for a real estate salesperson license; and

(5) submit to the Commission any additional information or documentation that the Commission requires.

(k) On compliance by the applicant with the procedures of this section, the Commission shall grant an appropriate new license to each individual who meets the applicable requirements under this subtitle.

(l) The Commission shall issue an appropriate license certificate and pocket card to each individual who has been granted a license under subsection (k) of this section.

\*\* SPECIAL NOTE: EFFECTIVE - JULY 1, 2006 - CHAPTER 399 - 2005 \*\*

(a) A licensed real estate salesperson may obtain an additional real estate salesperson license and become affiliated with an additional licensed real estate broker as a real estate salesperson, if the salesperson:

(1) obtains, from an additional licensed real estate broker, a commitment providing that the salesperson shall become affiliated with the broker as a real estate salesperson on the granting of an additional real estate salesperson license to the salesperson;

(2) gives each real estate broker with whom the salesperson currently is affiliated written notice that the salesperson intends to affiliate with an additional real estate broker; and

(3) complies with the application procedures under subsection (j) of this section.

(b) A licensed real estate salesperson may obtain an associate real estate broker license and become affiliated with an additional licensed real estate broker as an associate real estate broker, if the salesperson:

(1) (i) meets the requirements for an associate real estate broker license under § 17-304 of this subtitle;

(ii) gives each real estate broker with whom the salesperson currently is affiliated written notice that the salesperson intends to affiliate with an additional real estate broker; and

(iii) complies with the application procedures under § 17-307 of this subtitle;  
or

(2) (i) has previously held an associate real estate broker license or a real estate broker license;

(ii) has held a license continuously since initially being licensed as an associate real estate broker or a real estate broker;

(iii) obtains, from an additional licensed real estate broker, a commitment providing that the salesperson shall become affiliated with the broker as an associate real estate broker on the granting of an associate real estate broker license to the salesperson;

(iv) gives each real estate broker with whom the salesperson currently is affiliated written notice that the salesperson intends to affiliate with an additional real estate broker; and

(v) complies with the application procedures under subsection (j) of this section.

(c) A licensed real estate salesperson may obtain a real estate broker license, if the salesperson:

(1) (i) meets the requirements for a real estate broker license under § 17-305 of this subtitle;

(ii) gives each real estate broker with whom the salesperson currently is affiliated written notice that the salesperson intends to obtain a real estate broker license; and

(iii) complies with the application procedures under § 17-307 of this subtitle;  
or

(2) (i) has previously held an associate real estate broker license or a real estate broker license;

(ii) has held a license continuously since initially being licensed as an associate real estate broker or a real estate broker;

(iii) gives each real estate broker with whom the salesperson currently is affiliated written notice that the salesperson intends to obtain a real estate broker license; and

(iv) complies with the application procedures under subsection (j) of this section.

(d) A licensed associate real estate broker may obtain an additional associate real estate broker license and become affiliated with an additional licensed real estate broker as an associate real estate broker, if the associate broker:

(1) obtains, from an additional licensed real estate broker, a commitment providing that the associate broker shall become affiliated with the broker as an associate real estate broker on the granting of an additional associate real estate broker license to the associate broker;

(2) gives each real estate broker with whom the associate broker currently is affiliated written notice that the associate broker intends to affiliate with an additional real estate broker; and

(3) complies with the application procedures under subsection (j) of this section.

(e) A licensed associate real estate broker may obtain a real estate salesperson license and become affiliated with an additional licensed real estate broker as a real estate salesperson, if the associate broker:

(1) obtains, from an additional licensed real estate broker, a commitment providing that the associate broker shall become affiliated with the broker as a real estate salesperson on the granting of a real estate salesperson license to the associate broker;

(2) gives each real estate broker with whom the associate broker currently is affiliated written notice that the associate broker intends to affiliate with an additional real estate broker; and

(3) complies with the application procedures under subsection (j) of this section.

(f) A licensed associate real estate broker may obtain a real estate broker license, if the associate broker:

(1) gives each real estate broker with whom the associate broker currently is affiliated written notice that the associate broker intends to obtain a real estate broker license; and

(2) complies with the application procedures under subsection (j) of this section.

(g) A licensed real estate broker may obtain a real estate salesperson license and become affiliated with another licensed real estate broker as a real estate salesperson, if the broker:

(1) obtains, from another licensed real estate broker, a commitment providing that the broker shall become affiliated with the other broker as a real estate salesperson on the granting of a real estate salesperson license to the broker; and

(2) complies with the application procedures under subsection (j) of this section.

(h) A licensed real estate broker may obtain an associate real estate broker license and become affiliated with another licensed real estate broker as an associate real estate broker, if the broker:

(1) obtains, from another licensed real estate broker, a commitment providing that the broker shall become affiliated with the other broker as an associate real estate broker on the granting of an associate real estate broker license to the broker; and

(2) complies with the application procedures under subsection (j) of this section.

(i) (1) A licensed real estate broker shall obtain a real estate broker license for each real estate brokerage operated by the real estate broker.

(2) In order to receive an additional real estate broker license, a licensed real estate broker shall comply with the application procedures under subsection (j)(1),(4), and (5) of this section.

(j) To obtain an additional license, a qualified licensee shall:

(1) submit to the Commission an application on the form that the Commission provides;

(2) if applying for a real estate salesperson or associate real estate broker license, submit to the Commission adequate evidence that the licensee has obtained, from a licensed real estate broker, a commitment providing that the licensee shall become affiliated with the broker as a real estate salesperson or an associate real estate broker on the granting of an additional license to the licensee;

(3) if currently licensed as a real estate salesperson or an associate real estate broker, submit to the Commission a copy of the written notice informing each real estate broker with whom the licensee currently is affiliated that the licensee intends to affiliate with an additional real estate broker or obtain a real estate broker license;

(4) pay to the Commission an application fee set by the Commission; and

(5) submit to the Commission any additional information or documentation that the Commission requires.

(k) On compliance by the applicant with the procedures of this section, the Commission shall grant an appropriate new license to each individual who meets the applicable requirements under this subtitle.

(l) The Commission shall issue an appropriate license certificate and pocket card to each individual who has been granted a license under subsection (k) of this section.

**§ 17-314.**

**CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE**

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

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

(2) in an even-numbered year.

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

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

(2) in an even-numbered year.

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

(d) (1) At least 1 month before a license expires, the Commission shall mail to the licensee, as provided in paragraph (2) of this subsection:

(i) a renewal application form; and

(ii) a notice that states:

1. the date on which the current license expires;

2. the date by which the Commission must receive the renewal application for the renewal to be issued and mailed before the license expires; and

3. the amount of the renewal fee.

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

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

(e) Before a license expires, the licensee periodically may renew it for an additional 2-year term, if the licensee:

(1) otherwise is entitled to be licensed;

(2) pays to the Commission a renewal fee of:

(i) \$95 for a real estate broker license;

(ii) \$65 for an associate real estate broker license; or

(iii) \$45 for a real estate salesperson license;

(3) submits to the Commission a renewal application on the form that the Commission provides;

(4) submits to the Commission the original certificate of completion verifying that the licensee has complied with the continuing education requirements under § 17-315 of this subtitle;

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

(6) for the renewal of a real estate broker license:



(i) submits to the Commission, by a credit reporting agency approved by the Commission, a credit report that contains the information required by the Commission; or

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

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

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

(1) applies to the Commission for reinstatement within 4 years after the license expires;

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

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

(4) pays to the Commission:

(i) all past due renewal fees; and

(ii) a reinstatement fee of \$100.

\*\* SPECIAL NOTE: EFFECTIVE - JULY 1, 2006 - CHAPTER 399 - 2005 \*\*

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

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

(2) in an even-numbered year.

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

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

(2) in an even-numbered year.

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

(d) (1) At least 1 month before a license expires, the Commission shall mail to the licensee, as provided in paragraph (2) of this subsection:

(i) a renewal application form; and

(ii) a notice that states:

1. the date on which the current license expires;

2. the date by which the Commission must receive the renewal application for the renewal to be issued and mailed before the license expires; and

3. the amount of the renewal fee.

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

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

(e) Before a license expires, the licensee periodically may renew it for an additional 2-year term, if the licensee:

(1) otherwise is entitled to be licensed;

(2) pays to the Commission a renewal fee set by the Commission;

(3) submits to the Commission a renewal application on the form that the Commission provides;

(4) submits to the Commission the original certificate of completion verifying that the licensee has complied with the continuing education requirements under § 17-315 of this subtitle;

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

(6) for the renewal of a real estate broker license:

(i) submits to the Commission, by a credit reporting agency approved by the Commission, a credit report that contains the information required by the Commission; or

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

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

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

- (1) applies to the Commission for reinstatement within 4 years after the license expires;
- (2) meets the requirement of good character and reputation;
- (3) complies with the applicable continuing education requirement for the period during which the individual was not licensed; and
- (4) pays to the Commission a reinstatement fee set by the Commission.

**§ 17-315.**

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

(2) Notwithstanding paragraph (1) of this subsection, to qualify for renewal of a license under this subtitle:

(i) a licensee who has been licensed 10 years or more on the date of renewal shall complete:

1. at least 6 clock hours of continuing education instruction, as provided in subsection (b) of this section, if the licensee renews the license on or before October 1, 2006;
2. at least 9 clock hours of continuing education instruction, as provided in subsection (b) of this section, if the licensee renews the license on or before October 1, 2008; or
3. at least 15 clock hours of continuing education instruction, as provided in subsection (b) of this section, if the licensee renews the license on or after October 2, 2008; or

(ii) a licensee shall complete at least 7.5 clock hours of continuing education instruction as provided for in subsection (b) of this section if the licensee:

1. possesses a graduate degree in law from an accredited law school; or
2. possesses a graduate degree in real estate from an accredited college or university.

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

(4) A licensee holding a license from another state must complete at least 15 clock hours of continuing education instruction during each 2-year license term and may substitute clock hours of continuing education instruction earned in another state, if those clock hours:

- (i) are approved as real estate continuing education in that state; and
- (ii) meet the distribution requirements of subsection (b)(2) of this section.

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

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

(2) The subject matter approved by the Commission shall:

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

(ii) every 2 years, include at least one 3 clock hour course that outlines relevant changes that have occurred in federal, State, or local laws and regulations, or any combination of those laws and regulations;

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

(iv) every 2 years, include at least one 3 clock hour ethics course that includes the Maryland Code of Ethics and a discussion of the practices of flipping and predatory lending.

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

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

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

- (i) the Maryland Association of Realtors or its member boards;
- (ii) the Real Estate Brokers of Baltimore, Inc.;
- (iii) any similar professional association; or
- (iv) an educational institution approved by the Commission.

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

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

- (i) remote access satellite;
- (ii) closed-circuit video;
- (iii) computer, including transmission over the Internet and the World Wide Web;
- (iv) home study; and
- (v) any other delivery system approved by the Commission.

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

(e) (1) On completion of a continuing education course by a licensee, the entity that conducted the course or the instructor shall issue to the licensee a certificate of completion that states the number of clock hours of that course.

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

(f) The Commission may waive the requirements of this section for a licensee if the licensee shows good cause for being unable to meet the requirements.

**§ 17-316.**

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

(a) (1) The Commission shall place the license of a real estate broker on inactive status if the real estate broker:

(i) requests that the license of the broker be placed on inactive status; and

(ii) surrenders the license certificate and pocket card of the broker to the Commission.

(2) The Commission shall place the license of an associate real estate broker or a real estate salesperson on inactive status if:

(i) the associate broker or salesperson no longer is affiliated with the licensed real estate broker whose firm is named in the license certificate of the associate broker or salesperson; or

(ii) the associate broker or salesperson:

1. requests that the license of the associate broker or salesperson be placed on inactive status; and

2. surrenders the license certificate and pocket card of the associate broker or salesperson to the Commission.

(b) (1) A licensee whose license is on inactive status may not provide real estate brokerage services through that license.

(2) The placement of a license on inactive status does not affect the power of the Commission to suspend or revoke the license or to take any other disciplinary action against the licensee.

(c) Unless a license on inactive status is reactivated, the license expires 4 years after the date it is placed on inactive status.

(d) (1) Subject to paragraph (2) of this subsection, a licensee whose license is on inactive status remains responsible for renewing the license as required under § 17-314 of this subtitle.

(2) Subject to the 4-year limitation under subsection (c) of this section, a licensee may renew a license while it is on inactive status without complying with the continuing education requirements of § 17-315 of this subtitle.

(e) (1) The Commission shall reactivate the license of a real estate broker that is on inactive status and reissue a license certificate and pocket card to the broker if the broker:

(i) requests that the license be reactivated;

(ii) pays to the Commission a reissuance fee of \$10; and

(iii) meets the continuing education requirements that would have been required for renewal of a license under § 17-315 of this subtitle if the license had not been on inactive status.

(2) The Commission shall reactivate the license of an associate real estate broker or a real estate salesperson that is on inactive status and reissue a license certificate and pocket card to the associate broker or salesperson if the associate broker or salesperson:

(i) requests that the license be reactivated;

(ii) pays to the Commission a reissuance fee of \$10;

(iii) meets the continuing education requirements that would have been required for renewal of a license under § 17-315 of this subtitle if the license had not been on inactive status; and

(iv) submits to the Commission adequate evidence that the associate broker or salesperson has obtained, from a licensed real estate broker, a commitment providing that the associate broker or salesperson shall become affiliated with the broker as an associate real estate broker or a real estate salesperson on reactivation of the license of the associate broker or salesperson.

\*\* SPECIAL NOTE: EFFECTIVE - JULY 1, 2006 - CHAPTER 399 - 2005 \*\*

(a) (1) The Commission shall place the license of a real estate broker on inactive status if the real estate broker:

(i) requests that the license of the broker be placed on inactive status; and

(ii) surrenders the license certificate and pocket card of the broker to the Commission.

(2) The Commission shall place the license of an associate real estate broker or a real estate salesperson on inactive status if:

(i) the associate broker or salesperson no longer is affiliated with the licensed real estate broker whose firm is named in the license certificate of the associate broker or salesperson; or

(ii) the associate broker or salesperson:

1. requests that the license of the associate broker or salesperson be placed on inactive status; and

2. surrenders the license certificate and pocket card of the associate broker or salesperson to the Commission.

(b) (1) A licensee whose license is on inactive status may not provide real estate brokerage services through that license.

(2) The placement of a license on inactive status does not affect the power of the Commission to suspend or revoke the license or to take any other disciplinary action against the licensee.

(c) Unless a license on inactive status is reactivated, the license expires 4 years after the date it is placed on inactive status.

(d) (1) Subject to paragraph (2) of this subsection, a licensee whose license is on inactive status remains responsible for renewing the license as required under § 17-314 of this subtitle.

(2) Subject to the 4-year limitation under subsection (c) of this section, a licensee may renew a license while it is on inactive status without complying with the continuing education requirements of § 17-315 of this subtitle.

(e) (1) The Commission shall reactivate the license of a real estate broker that is on inactive status and reissue a license certificate and pocket card to the broker if the broker:

(i) requests that the license be reactivated;

(ii) pays to the Commission a reissuance fee set by the Commission; and

(iii) meets the continuing education requirements that would have been required for renewal of a license under § 17-315 of this subtitle if the license had not been on inactive status.

(2) The Commission shall reactivate the license of an associate real estate broker or a real estate salesperson that is on inactive status and reissue a license certificate and pocket card to the associate broker or salesperson if the associate broker or salesperson:

(i) requests that the license be reactivated;

(ii) pays to the Commission a reissuance fee set by the Commission;

(iii) meets the continuing education requirements that would have been required for renewal of a license under § 17-315 of this subtitle if the license had not been on inactive status; and

(iv) submits to the Commission adequate evidence that the associate broker or salesperson has obtained, from a licensed real estate broker, a commitment providing that the associate broker or salesperson shall become affiliated with the broker as an associate



real estate broker or a real estate salesperson on reactivation of the license of the associate broker or salesperson.

§ 17-317.

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

(a) (1) A licensed real estate broker shall display at all times:

(i) the license certificate of the real estate broker in a conspicuous place in the principal office of the real estate broker; and

(ii) in accordance with paragraph (2) of this subsection, the license certificate of each associate real estate broker and real estate salesperson who is affiliated with the real estate broker.

(2) (i) If an associate real estate broker or a real estate salesperson who is affiliated with the real estate broker works primarily out of the principal office of the real estate broker, the real estate broker shall display the license certificate of the associate broker or salesperson in a conspicuous place in the principal office.

(ii) If an associate real estate broker or a real estate salesperson who is affiliated with the real estate broker works primarily out of a branch office of the real estate broker, the real estate broker shall display the license certificate of the associate broker or salesperson in a conspicuous place in the branch office out of which the associate broker or salesperson primarily works.

(b) (1) If a license certificate is lost or destroyed, the licensee immediately shall notify the Commission.

(2) To receive a duplicate license certificate, the licensee shall submit to the Commission:

(i) an affidavit stating that the license certificate has been lost or destroyed; and

(ii) a fee of \$5.

(3) On receipt of the affidavit and fee, the Commission shall issue an appropriate duplicate license certificate to the licensee.

(c) (1) If a pocket card is lost or destroyed, the licensee immediately shall notify the Commission.

(2) To receive a duplicate pocket card, the licensee shall submit to the Commission:

- (i) an affidavit stating that the pocket card has been lost or destroyed; and
- (ii) a fee of \$1.

(3) On receipt of the affidavit and fee, the Commission shall issue an appropriate duplicate pocket card to the licensee.

\*\* SPECIAL NOTE: EFFECTIVE - JULY 1, 2006 - CHAPTER 399 - 2005 \*\*

(a) (1) A licensed real estate broker shall display at all times:

(i) the license certificate of the real estate broker in a conspicuous place in the principal office of the real estate broker; and

(ii) in accordance with paragraph (2) of this subsection, the license certificate of each associate real estate broker and real estate salesperson who is affiliated with the real estate broker.

(2) (i) If an associate real estate broker or a real estate salesperson who is affiliated with the real estate broker works primarily out of the principal office of the real estate broker, the real estate broker shall display the license certificate of the associate broker or salesperson in a conspicuous place in the principal office.

(ii) If an associate real estate broker or a real estate salesperson who is affiliated with the real estate broker works primarily out of a branch office of the real estate broker, the real estate broker shall display the license certificate of the associate broker or salesperson in a conspicuous place in the branch office out of which the associate broker or salesperson primarily works.

(b) (1) If a license certificate is lost or destroyed, the licensee immediately shall notify the Commission.

(2) To receive a duplicate license certificate, the licensee shall submit to the Commission:

(i) an affidavit stating that the license certificate has been lost or destroyed; and

(ii) a fee set by the Commission.

(3) On receipt of the affidavit and fee, the Commission shall issue an appropriate duplicate license certificate to the licensee.

(c) (1) If a pocket card is lost or destroyed, the licensee immediately shall notify the Commission.

(2) To receive a duplicate pocket card, the licensee shall submit to the Commission:

- (i) an affidavit stating that the pocket card has been lost or destroyed; and
- (ii) a fee set by the Commission.

(3) On receipt of the affidavit and fee, the Commission shall issue an appropriate duplicate pocket card to the licensee.

**§ 17-318.**

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

(a) To change the name of a licensee or a firm on a license certificate and pocket card, a licensee shall submit to the Commission:

- (1) an application on the form that the Commission provides;
- (2) the license certificate and pocket card of the licensee;
- (3) any documentation about the name change that the Commission requires; and
- (4) a fee of \$5.

(b) On receipt of the application, fee, and any required documentation, the Commission shall issue, to the licensee, a new license certificate and pocket card containing the new name of the licensee or firm.

**\*\* SPECIAL NOTE: EFFECTIVE - JULY 1, 2006 - CHAPTER 399 - 2005 \*\***

(a) To change the name of a licensee or a firm on a license certificate and pocket card, a licensee shall submit to the Commission:

- (1) an application on the form that the Commission provides;
- (2) the license certificate and pocket card of the licensee;
- (3) any documentation about the name change that the Commission requires; and
- (4) a fee set by the Commission.

(b) On receipt of the application, fee, and any required documentation, the Commission shall issue, to the licensee, a new license certificate and pocket card containing the new name of the licensee or firm.

**§ 17-319.**

(a) Subject to the provisions of subsection (b) of this section, on the death of a licensed real estate broker, any adult member of the family of the deceased broker may carry on the business of the deceased broker for up to 6 months for the purposes of closing and terminating the business.

(b) To qualify to carry on the business of a deceased real estate broker, a family member shall:

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

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

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

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

(d) Before the end of the 6-month period for carrying on the business of a deceased real estate broker, an individual may qualify for the license of the deceased broker if:

(1) the individual is a member of the immediate family of the deceased broker;

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

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

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

(5) there has been compliance with the requirements of subsection (b) of this section.

(e) The Commission shall reissue the license of a deceased real estate broker to an individual who qualifies for the license of the broker under subsection (d) of this section.

(f) (1) An individual who qualifies for and is reissued the license of a deceased real estate broker may hold the license for up to 4 years from the time of reissuance without meeting the educational requirements for a real estate broker license under § 17-305 of this subtitle.

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

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

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

**§ 17-320.**

(a) (1) Subject to the provisions of this section, a licensed real estate broker may utilize as an independent contractor, employ, or otherwise contract with a licensed real estate salesperson or a licensed associate real estate broker to provide real estate brokerage services on behalf of the licensed real estate broker.

(2) A real estate broker may not provide real estate brokerage services through any other individual unless the individual is licensed as an associate real estate broker or real estate salesperson to provide real estate brokerage services on behalf of the real estate broker.

(b) Any individual, including a licensed associate real estate broker, who provides real estate brokerage services on behalf of a real estate broker shall be considered a real estate salesperson with respect to the provision of those services.

(c) (1) A real estate broker shall exercise reasonable and adequate supervision over the provision of real estate brokerage services by any other individual, including an independent contractor, on behalf of the broker.

(2) The requirement of paragraph (1) of this subsection applies regardless of the manner in which the individual who provides the services is affiliated with the real estate broker on whose behalf the services are provided.

(d) (1) A branch office manager, as defined in § 17-518(d) of this title, shall exercise reasonable and adequate supervision over the provision of real estate brokerage services by any sales agent or associate broker registered with that office.

(2) The responsibility of the branch office manager to supervise sales agents and associate brokers registered to his office is in addition to, and not in lieu of, the responsibility of the broker set forth in subsection (c) of this section.

(e) If the affiliation between a real estate broker and a real estate salesperson or an associate real estate broker terminates, the real estate broker immediately shall:

(1) mail to the salesperson or associate broker, at the last known home and office address of that individual, notice that the affiliation is terminated;

(2) submit to the Commission written notice that the affiliation is terminated, including copies of the notices mailed to the salesperson or associate broker; and

(3) return the license certificate of the salesperson or associate broker to the Commission.

**§ 17-321.**

(a) Subject to the provisions of this section, a licensed real estate broker may provide real estate brokerage services through a corporation, limited liability company, or partnership.

(b) To qualify to provide real estate brokerage services through a corporation, limited liability company, or partnership, the licensed real estate broker:

(1) shall be employed by or have another contractual relationship with the corporation, limited liability company, or partnership;

(2) shall have been designated by the corporation, limited liability company, or partnership as the broker of the firm, to be individually responsible for the provision of real estate brokerage services through the corporation, limited liability company, or partnership; and

(3) shall submit notice to the Commission as provided in subsection (c) of this section.

(c) (1) Before a licensed real estate broker may provide real estate brokerage services through a corporation, limited liability company, or partnership, the broker shall submit to the Commission a notice that states the broker's intent to provide services through a corporation or partnership. The notice shall include:

(i) the name of the real estate broker submitting the notice;

(ii) a statement that the named individual has been designated as the broker of the firm;

(iii) the address of the firm's principal place of business and of each proposed branch office;

(iv) any trade or fictitious name that the firm intends to use while conducting the business of the firm;

(v) a list of all the licensed associate real estate brokers and licensed real estate salespersons who will be affiliated with the broker of the firm; and

(vi) any other information that the Commission may require by regulation.

(2) The Commission may set by regulation procedures for maintaining current information about any corporation, limited liability company, or partnership through which real estate brokerage services are provided.

(d) (1) An individual may provide real estate brokerage services through a firm only if:

(i) the individual is the licensed real estate broker who has been designated as the broker of the firm; or

(ii) the individual:

1. is licensed as an associate real estate broker or real estate salesperson to provide real estate brokerage services on behalf of the broker of the firm; and

2. continues to be affiliated with the broker of the firm.

(2) This subsection applies regardless of whether the individual is associated with the firm as a partner, officer, member, or shareholder or in any other capacity.

(e) An individual who serves as a broker of the firm under this section shall be responsible for the provision of real estate brokerage services through the firm and is subject to all of the provisions of this title regarding those services.

(f) (1) A corporation, limited liability company, or partnership that provides real estate brokerage services under this section is not, by its compliance with this section, relieved of any responsibility that the corporation, limited liability company, or partnership may have for an act or omission of its officer, partner, member, employee, or agent.

(2) An individual who provides real estate brokerage services through a corporation, limited liability company, or partnership is not, by reason of the individual's employment or other relationship with the corporation, limited liability company, or partnership, relieved of any individual responsibility that the individual may have regarding those services.

### § 17-322.

(a) In this section, "handicap" and "familial status" each have the meanings indicated in the federal Fair Housing Act.

(b) Subject to the hearing provisions of § 17-324 of this subtitle, the Commission may deny a license to any applicant, reprimand any licensee, or suspend or revoke a license if the applicant or licensee:

- (1) fraudulently or deceptively obtains or attempts to obtain a license for the applicant or licensee or for another;
- (2) fraudulently or deceptively uses a license;
- (3) directly or through another person willfully makes a misrepresentation or knowingly makes a false promise;
- (4) intentionally or negligently fails to disclose to any person with whom the applicant or licensee deals a material fact that the licensee knows or should know and that relates to the property with which the licensee or applicant deals;
- (5) as an associate real estate broker or a real estate salesperson, provides or attempts to provide real estate brokerage services on behalf of a real estate broker without informing in writing any other real estate broker with whom the associate real estate broker or the real estate salesperson is affiliated;
- (6) violates § 17-530(c) or (d) of this title;
- (7) retains or attempts to retain the services of any unlicensed individual as an associate real estate broker or a real estate salesperson to evade the law prohibiting payment of a commission to an unlicensed individual;
- (8) guarantees or authorizes or allows another person to guarantee future profits from the resale of real property;
- (9) solicits, sells, or offers to sell real property, so as to influence or attempt to influence a prospective party to the sale of real property, by:
  - (i) offering a prize or a free lot;
  - (ii) conducting a lottery or contest; or
  - (iii) advertising "free appraisals", unless the advertiser is prepared to appraise the real estate free of charge for any person, regardless of the purpose for which the person requests the appraisal;
- (10) accepts a listing contract to sell real property that fails to provide a definite termination date that is effective automatically without notice from the buyer or the seller;
- (11) accepts a listing contract to sell real property that provides for a "net" return to a seller and leaves the licensee free to sell the real property at any price higher than the "net" price;
- (12) knowingly solicits a party to an exclusive listing contract with another licensee to terminate that contract and enter a new contract with the licensee making the solicitation;



(13) solicits a party to a sales contract, lease, or agreement that was negotiated by another to breach the contract, lease, or agreement for the purpose of substituting a new contract, lease, or agreement for which the licensee making the solicitation is either the real estate broker or an associate real estate broker or a real estate salesperson affiliated with the real estate broker;

(14) for any transaction in which the licensee has served as or on behalf of a real estate broker, fails to furnish promptly to each party to the transaction a copy of:

- (i) the listing contract to sell or rent real property;
- (ii) the contract of sale; or
- (iii) the lease agreement;

(15) for any transaction in which the licensee has served as or on behalf of a real estate broker, fails to keep a copy of any executed:

- (i) listing contract to sell or rent real property;
- (ii) contract of sale; or
- (iii) lease agreement;

(16) whether or not acting for monetary gain, knowingly induces or attempts to induce a person to transfer real estate or discourages or attempts to discourage a person from buying real estate:

(i) by making representations about the existing or potential proximity of real property owned or used by individuals of a particular race, color, religion, sex, handicap, familial status, or national origin; or

(ii) by representing that the existing or potential proximity of real property owned or used by individuals of a particular race, color, religion, sex, handicap, familial status, or national origin will or may result in:

1. the lowering of property values;
2. a change in the racial, religious, or ethnic character of the block, neighborhood, or area;
3. an increase in criminal or antisocial behavior in the area; or
4. a decline in the quality of the schools serving the area;

(17) uses any of the following material if it includes the name of an organization or association of which the licensee is not a member:

- (i) a contract form for the listing of real property for sale, rent, or exchange;
- (ii) a contract form for the sale, rent, or exchange of real property; or
- (iii) any advertising matter;

(18) as a real estate broker, an associate real estate broker, or a real estate salesperson, advertises the sale or rent of or an offer to buy real property while failing to disclose in the advertisement the name of the advertiser and the fact that the advertiser is a real estate broker, an associate real estate broker, or a real estate salesperson;

(19) advertises in any misleading or untruthful manner or violates § 17-527.2 of this title;

(20) as a licensed associate real estate broker or a licensed real estate salesperson, advertises the sale or rent of or an offer to buy real property in the name of the associate broker or the salesperson while failing to disclose in the advertisement the name of the real estate broker on behalf of whom the associate broker or the salesperson is acting;

(21) for real estate brokerage services provided by an associate real estate broker or a real estate salesperson, accepts a commission or other valuable consideration from any person other than a real estate broker with whom the associate broker or the salesperson is affiliated;

(22) fails to account for or to remit promptly any money that comes into the possession of the licensee but belongs to another person;

(23) pays or receives a rebate, profit, compensation, or commission in violation of any provision of this title;

(24) under the laws of the United States or of any state, is convicted of:

- (i) a felony;
- (ii) a misdemeanor that is directly related to the fitness and qualification of the applicant or licensee to provide real estate brokerage services; or
- (iii) a crime that constitutes a violation of any provision of this title;

(25) engages in conduct that demonstrates bad faith, incompetency, or untrustworthiness or that constitutes dishonest, fraudulent, or improper dealings;

(26) with actual knowledge of the violation, associates with a licensee in a transaction or practice that violates any provision of this title;

(27) violates § 17-320(c) of this subtitle by failing as a real estate broker to exercise reasonable and adequate supervision over the provision of real estate brokerage services by another individual on behalf of the broker;

(28) provides to a party a contract that does not contain a notice of the buyer's right of selection, as required by § 17-524 of this title;

(29) requires a buyer to employ a particular title insurance company, settlement company, escrow company, or title lawyer in violation of § 17-607 of this title;

(30) fails to make the disclosure or provide the consent form required by § 17-530 of this title;

(31) violates any provision of Subtitle 5 of this title that relates to trust money;

(32) violates any other provision of this title;

(33) violates any regulation adopted under this title or any provision of the code of ethics; or

(34) violates § 17-320(d) of this subtitle by failing as a branch office manager to exercise reasonable and adequate supervision over the provision of real estate brokerage services by any sales agent or associate broker registered with that office.

(c) (1) Instead of or in addition to reprimanding a licensee or suspending or revoking a license under this section, the Commission may impose a penalty not exceeding \$5,000 for each violation.

(2) To determine the amount of the penalty imposed, the Commission shall consider:

- (i) the seriousness of the violation;
- (ii) the harm caused by the violation;
- (iii) the good faith of the licensee; and
- (iv) any history of previous violations by the licensee.

(3) The Commission shall pay any penalty collected under this subsection into the General Fund of the State.

(d) The Commission shall consider the following facts in the granting, denial, renewal, suspension, or revocation of a license or the reprimand of a licensee when an applicant or licensee is convicted of a felony or misdemeanor described in subsection (b)(24)(i) and (ii) of this section:

- (1) the nature of the crime;
- (2) the relationship of the crime to the activities authorized by the license;
- (3) with respect to a felony, the relevance of the conviction to the fitness and qualification of the applicant or licensee to provide real estate brokerage services;
- (4) the length of time since the conviction; and
- (5) the behavior and activities of the applicant or licensee before and after the conviction.

**§ 17-322.1.**

(a) For purposes of § 17-322(b) of this subtitle, it is not a material fact relating to property offered for sale or lease that:

- (1) an owner or occupant of the property is, was, or is suspected to be:
  - (i) infected with human immunodeficiency virus; or
  - (ii) diagnosed with acquired immunodeficiency syndrome; or
- (2) a homicide, suicide, accidental death, natural death, or felony occurred on the property.

(b) (1) It is not grounds for a disciplinary action against a licensee under this subtitle, that a licensee did not disclose to a prospective purchaser or lessee, a fact contained in subsection (a) of this section.

(2) A licensee may not be held personally liable for failure to disclose a fact contained in subsection (a) of this section.

**§ 17-323.**

(a) Subject to the provisions of this section, the Commission shall commence proceedings under § 17-322 of this subtitle on a complaint made to the Commission by a member of the Commission or any other person.

- (b) (1) A complaint shall:
  - (i) be in writing; and
  - (ii) state specifically the facts on which the complaint is based.

(2) If a complaint is made by any person other than a member of the Commission, the complaint shall be made under oath by the person who submits the complaint.

(3) A complaint may be accompanied by documentary or other evidence.

(c) (1) The Commission, or its designee, shall review each complaint received by the Commission. A complaint shall be referred for investigation if, after a review under this subsection, it is determined that the complaint:

(i) alleges facts that establish a prima facie case that is grounds for disciplinary action under § 17-322 of this subtitle; and

(ii) meets the requirements of subsection (b) of this section.

(2) A complaint not referred for investigation under paragraph (1) of this subsection shall be dismissed, and any appeal shall be taken under paragraph (3) of this section.

(3) (i) If a complaint is dismissed under paragraph (2) of this subsection, within 30 days from the date of the dismissal any member of the Commission may file an exception to the decision.

(ii) If an exception is filed with the Commission under subparagraph (i) of this paragraph, the Commission shall set a hearing on the matter by the full Commission on whether the complaint satisfies the requirements of paragraph (1) of this subsection. If the Commission determines that the complaint is satisfactory, the matter shall be referred for an investigation.

(iii) If an exception is not filed within the time allowed under subparagraph (i) of this paragraph:

1. the decision of the Commission is final; and

2. any party aggrieved by the decision may take a judicial appeal as provided in § 17-329 of this subtitle.

(d) (1) On completion, an investigation shall be referred directly to the Commission or its designee.

(2) If the Commission or its designee determines there is a reasonable basis to believe any grounds exist for disciplinary action under § 17-322 of this subtitle, the investigation shall be referred for a hearing in accordance with § 17-324 of this subtitle.

(3) A complaint not referred for a hearing by the Commission or its designee shall be dismissed, and any party aggrieved by the decision may take a judicial appeal as provided in § 17-329 of this subtitle.

**§ 17-324.**

(a) Except as otherwise provided in § 10-226 of the State Government Article, before the Commission takes any final action under § 17-322 of this subtitle, it shall give the individual against whom the action is contemplated an opportunity for a hearing before the Commission or, as provided under § 17-326 of this subtitle, a hearing board.

(b) The Commission shall give notice and hold the hearing in accordance with Title 10, Subtitle 2 of the State Government Article.

(c) In connection with any proceeding under this section, the following individuals may administer oaths:

- (1) a member of the Commission;
- (2) the executive director of the Commission; and
- (3) the assistant director of the Commission.

(d) (1) At least 10 days before the hearing, the hearing notice to be given to the individual shall be:

- (i) served personally on the individual; or
- (ii) sent by certified mail to the last known business address of the individual.

(2) If the individual is an associate real estate broker or a real estate salesperson, at least 10 days before the hearing, the Commission shall give notice of the hearing to each real estate broker with whom the associate real estate broker or the real estate salesperson is affiliated by sending notice by certified mail to the last known business address of the real estate broker.

(e) The individual may be represented at the hearing by counsel.

(f) If, after due notice, the individual against whom the action is contemplated fails or refuses to appear, nevertheless the Commission may hear and determine the matter.

**§ 17-325.**

(a) With the approval of the Secretary, the Commission may establish 1 or more real estate hearing boards. If established, each hearing board shall be a unit in the Department.

(b) (1) If established, each hearing board shall consist of at least 3 members of the Commission, appointed by the Commission.

- (2) Of the 3 mandatory positions on the hearing board:

- (i) at least 1 shall be a professional member of the Commission; and
- (ii) at least 1 shall be a consumer member of the Commission.

(c) From among the members of each hearing board, the Commission shall designate a chairman.

**§ 17-326.**

(a) Except as otherwise provided in this subtitle, the Commission may refer to a hearing board for a hearing:

- (1) a complaint or claim that has been submitted to the Commission; and
- (2) any matter for which a hearing may be required under § 17-327 or § 17-328 of this subtitle.

(b) The hearing board may exercise the same powers and shall conduct a hearing in accordance with the same procedures applicable to the Commission under § 17-324 of this subtitle.

(c) (1) The hearing board shall determine if there is a reasonable basis to believe that there are grounds for disciplinary action under § 17-322 of this subtitle against an applicant or licensee.

(2) (i) If the hearing board finds a reasonable basis as provided under paragraph (1) of this subsection, the hearing board shall:

- 1. hold a hearing on the matter; and
- 2. file its finding with the Commission.

(ii) If the hearing board does not find a reasonable basis as provided under paragraph (1) of this subsection, the hearing board shall dismiss the complaint.

(3) A hearing board shall advise the Commission specifically of any action brought against a licensee as a result of monetary loss, misappropriation of money, or fraud.

(d) The decision of the hearing board shall be considered as the final decision of the Commission and any party aggrieved by the decision may take a judicial appeal as provided in § 17-329 of this subtitle.

**§ 17-327.**

(a) Subject to the provisions of subsection (b) of this section, the Commission may order summarily the revocation of:

- (1) the license of any licensee, if:
    - (i) the licensee is convicted of a violation of this title;
    - (ii) the conviction is final; and
    - (iii) the period for appeal has expired; or
  - (2) the license of any nonresident licensee, if the real estate regulatory agency of the state where the licensee is a resident:
    - (i) revokes the license issued by that state; and
    - (ii) certifies the order of revocation to the Commission.
- (b) The Commission may order summarily a revocation under this section only if it gives the licensee:
- (1) written notice of the revocation and the finding on which the revocation is based; and
  - (2) after the summary revocation is effective, an opportunity to be heard promptly before the Commission or, as provided under § 17-326 of this subtitle, before a hearing board.
- (c) (1) Rather than order summarily a revocation of a license under this section, the Commission may elect not to revoke the license until after the licensee is given an opportunity for a hearing.
- (2) If the Commission elects to give the licensee an opportunity for a hearing before revoking the license for the grounds set forth in this section, the Commission shall give notice and hold the hearing in the same manner as required under § 17-324 of this subtitle.
- (d) (1) In any hearing held on the grounds for revocation under subsection (a) of this section, the Commission may restrict the admission of evidence to the issue whether:
- (i) the alleged conviction in fact occurred; or
  - (ii) the alleged revocation in fact occurred.
- (2) Notwithstanding paragraph (1) of this subsection, in any hearing held on the grounds for revocation under subsection (a) of this section, a licensee may present matters in mitigation of the offense charged.

**§ 17-328.**



(a) Subject to the provisions of subsection (b) of this section, the Commission may order summarily the suspension of the license of a licensee if the licensee:

- (1) fails to account promptly for any money held in trust; or
- (2) on demand, fails to display to the Commission all records, books, and accounts of any money held in trust.

(b) The Commission may order summarily a suspension under this section only if the Commission gives the licensee:

- (1) written notice of the suspension and the finding on which the suspension is based; and
- (2) after the summary suspension is effective, an opportunity to be heard promptly before the Commission or, as provided under § 17-326 of this subtitle, before a hearing board.

(c) A summary suspension ordered by the Commission under this section:

- (1) may start immediately or at any later date, as set by the order; and
- (2) shall continue until:
  - (i) the licensee complies with the conditions set forth by the Commission in its order; or
  - (ii) the Commission orders a different disposition after a hearing held under this section.

(d) (1) Rather than order summarily a suspension of a license under this section, the Commission may elect not to suspend the license until after the licensee is given an opportunity for a hearing.

(2) If the Commission elects to give the licensee an opportunity for a hearing before suspending the license for the grounds set forth in this section, the Commission shall give notice and hold the hearing in the same manner as required under § 17-324 of this subtitle.

**§ 17-329.**

(a) Any person aggrieved by a final decision of the Commission in a contested case, as defined in § 10-202 of the State Government Article, may take an appeal as allowed in §§ 10-222 and 10-223 of the State Government Article.

(b) Except as provided in subsection (c) of this section, unless stayed by the Commission or a court, a decision of the Commission is not stayed pending review.

(c) A court may grant a stay of the suspension or revocation of the license of the licensee only on the filing of a bond by a licensee as provided in subsection (d) of this section.

(d) (1) The court may set the bond required under subsection (c) of this section in any amount not exceeding \$50,000.

(2) The bond shall be conditioned for the use and benefit of any person who, as a member of the public, might sustain pecuniary loss because of any violation of this title by the licensee.

**§ 17-330.**

(a) Whenever the Commission revokes or suspends the license of a licensee under § 17-322 of this subtitle and a stay is not ordered by the Commission or the court, the Commission shall mail notice of the suspension or revocation:

- (1) to the licensee;
- (2) if the licensee is an associate real estate broker or a real estate salesperson, to each real estate broker with whom the licensee is affiliated;
- (3) to the Maryland Association of Realtors; and
- (4) to the local board of realtors and the realtor organization having jurisdiction over the geographic area where the licensee maintained an office.

(b) (1) If the Commission revokes or suspends the license of a nonresident licensee, the Commission also shall notify by mail the real estate commission or other licensing authority in the state where the licensee is a resident.

(2) The Commission shall include in the notice the cause for the revocation or suspension of the license.

**§ 17-401.**

This subtitle does not limit the authority of the Commission to take:

- (1) any action against a licensee under the disciplinary provisions of Subtitle 3 of this title; or
- (2) any other action authorized under this title.

**§ 17-402.**

(a) The Commission shall:

- (1) establish a Real Estate Guaranty Fund; and
- (2) maintain the Guaranty Fund at a level of at least \$250,000.

(b) (1) The Commission shall deposit all money collected to the credit of the Guaranty Fund with the State Treasurer for placement into a special account.

(2) (i) The State Treasurer may invest or reinvest money in the Guaranty Fund in the same manner as money in the State Retirement and Pension System.

(ii) The investment earnings shall be:

1. credited to the Guaranty Fund; and
2. available for the same purposes as the money deposited into the Guaranty Fund.

(c) The Commission may adopt regulations for the administration of a Guaranty Fund.

**§ 17-403.**

(a) (1) Subject to paragraph (2) of this subsection, before the Commission issues a real estate broker license, an associate real estate broker license, or a real estate salesperson license to any individual, the individual shall pay a fee of \$20 to be credited to the Guaranty Fund.

(2) Regardless of how many times an individual applies to the Commission for a license under this title, the Commission only may charge the individual once for the fee required under this subsection.

(b) If the amount in the Guaranty Fund falls below \$250,000, the Commission shall assess each real estate broker, each associate real estate broker, and each real estate salesperson a fee in an amount that will return the Guaranty Fund to a level of at least \$250,000.

**§ 17-404.**

(a) (1) Subject to the provisions of this subtitle, a person may recover compensation from the Guaranty Fund for an actual loss.

(2) A claim shall:

(i) be based on an act or omission that occurs in the provision of real estate brokerage services by:

1. a licensed real estate broker;

2. a licensed associate real estate broker;
  3. a licensed real estate salesperson; or
  4. an unlicensed employee of a licensed real estate broker;
- and
- (ii) involve a transaction that relates to real estate that is located in the State;
  - (iii) be based on an act or omission:
    1. in which money or property is obtained from a person by theft, embezzlement, false pretenses, or forgery; or
    2. that constitutes fraud or misrepresentation.

(b) The amount recovered for any claim against the Guaranty Fund may not exceed \$25,000 for each claim.

(c) (1) A person may not recover from the Guaranty Fund for any loss that relates to:

- (i) the purchase of any interest in a limited partnership that is formed for the purpose of investment in real estate;
- (ii) a joint venture that is promoted by a licensed real estate broker, a licensed associate real estate broker, or licensed real estate salesperson for the purpose of investment in real estate by 2 or more individuals; or
- (iii) the purchase of commercial paper that is secured by real estate.

(2) A claim under the Guaranty Fund may not be made by:

- (i) the spouse of the licensee or the unlicensed employee alleged to be responsible for the act or omission giving rise to the claim; or
- (ii) the personal representative of the spouse of the licensee or the unlicensed employee alleged to be responsible for the act or omission giving rise to the claim.

(d) A claim under this subtitle shall be submitted to the Commission within 3 years after the claimant discovers or, by the exercise of ordinary diligence, should have discovered the loss or damage.

**§ 17-405.**

A real estate broker shall include in each sales contract that is provided by the real estate broker a written notice to the buyer that the buyer is protected by the Guaranty Fund in an amount not exceeding \$25,000.

**§ 17-406.**

(a) Each claim against the Guaranty Fund shall be made in accordance with this section.

(b) Each claim shall:

- (1) be in writing;
- (2) be made under oath;
- (3) state the amount of loss claimed;
- (4) state the facts on which the claim is based; and
- (5) be accompanied by any documentation or other evidence that supports the claim.

**§ 17-407.**

(a) The Commission shall act promptly on a claim made under this subtitle.

(b) Upon receipt of a claim, the Commission shall:

- (1) forward a copy of the claim:
  - (i) to each licensee alleged to be responsible for the act or omission giving rise to the claim;
  - (ii) to each unlicensed employee alleged to be responsible for the act or omission giving rise to the claim; and
  - (iii) if the licensee alleged to be responsible for the act or omission giving rise to the claim is an associate real estate broker or a real estate salesperson, to each real estate broker with whom the associate real estate broker or the real estate salesperson is affiliated; and
- (2) request from each of those individuals a written response within 10 days to the allegations set forth in the claim.

(c) (1) The Commission:

- (i) shall review the claim and any response to the claim; and
- (ii) may conduct an investigation of the claim.

(2) On the basis of its review and any investigation that the Commission conducts, it shall:

- (i) issue a proposed award under subsection (d) of this section;
- (ii) set the matter for a hearing; or
- (iii) if the claim is frivolous, made in bad faith, or legally insufficient, dismiss the claim.

(d) (1) (i) If a claimant's total claim arising from the conduct of one licensee does not exceed \$3,000, the Commission may issue a proposed order to either pay the claim in whole or in part or to deny the claim.

(ii) The Commission shall send the proposed order to the claimant and the licensee by personal delivery or by both regular and certified mail, return receipt requested.

(iii) The proposed order shall be sent to the licensee at the most recent address on record with the Commission.

(2) (i) Within 30 days after the date of personal service of the proposed order or receipt of the proposed order by certified mail, the licensee or the claimant may request in writing a hearing before the Commission or file written exceptions to the proposed order issued under paragraph (1) of this subsection.

(ii) On receipt of a written request for a hearing or written exceptions to the proposed order in accordance with subparagraph (i) of this paragraph, the Commission shall schedule a hearing on the claim.

(iii) If a hearing is not requested or if timely exceptions are not filed to the proposed order, the proposed order shall become a final order of the Commission.

(e) At any claim hearing, the burden of proof shall be on the claimant to establish the validity of the claim.

**§ 17-408.**

(a) The Commission shall give the claimant and the licensee or unlicensed employee alleged to be responsible for the act or omission giving rise to the claim an opportunity to participate in the hearing before the Commission.

(b) The Commission shall give notice of the hearing to:

- (1) the claimant;
- (2) each licensee alleged to be responsible for the act or omission giving rise to the claim; and
- (3) each unlicensed employee alleged to be responsible for the act or omission giving rise to the claim.

(c) The Commission may not proceed with the hearing unless the records of the Commission show that all notices required under this subtitle were sent to each licensee and each unlicensed employee alleged to be responsible for the act or omission giving rise to the claim.

**§ 17-409.**

(a) If a claim against the Guaranty Fund alleges that the act or omission giving rise to the claim was performed by a licensed real estate broker, a licensed associate real estate broker, or a licensed real estate salesperson, the Commission shall join the proceeding on the claim with any disciplinary proceeding against the licensee under this title arising from the same facts alleged in the claim.

(b) (1) For that part of a hearing on consolidated proceedings that relates to disciplinary action but does not relate to the Guaranty Fund claim against a licensee, the claimant:

- (i) may not be a party; and
- (ii) may participate only as a witness.

(2) For that part of a hearing on consolidated proceedings that relates to the claim against the Guaranty Fund, the claimant is a party.

**§ 17-410.**

(a) The Commission shall order payment of a claim by the Guaranty Fund if, on the hearing, the claimant:

- (1) proves that the claimant has a valid claim under this subtitle; and
- (2) presents evidence, satisfactory to the Commission, that the claimant is not:
  - (i) the spouse of the licensee or the unlicensed employee alleged to be responsible for the act or omission giving rise to the claim; or
  - (ii) the personal representative of the spouse of the licensee or the unlicensed employee alleged to be responsible for the act or omission giving rise to the claim.

(b) (1) The Commission may order payment by the Guaranty Fund only for the actual monetary loss suffered by the claimant as a result of the claim proven by the claimant.

(2) For any claim, the Commission may not order a payment by the Guaranty Fund of more than \$25,000.

(c) A payment may not be made by the Guaranty Fund under an order of the Commission until:

(1) the expiration of the time provided under Title 10, Subtitle 2 of the State Government Article for seeking judicial review of the Commission's order; or

(2) the expiration of any judicial stay of the order of the Commission.

(d) The Commission shall order payment of each claim due in the order in which the claim was awarded.

(e) If, at the time a payment is due, the money in the Guaranty Fund is insufficient to satisfy fully the order for payment, the Commission:

(1) immediately shall pay to the claimant the amount that is available in the Guaranty Fund; and

(2) when sufficient funds are available in the Guaranty Fund, shall pay the claimant:

(i) the balance due on the order; plus

(ii) interest calculated on that balance at an annual rate of 10%.

**§ 17-411.**

(a) After payment of a claim by the Guaranty Fund, a licensee who the Commission finds responsible for the act or omission that gave rise to the claim shall reimburse the Guaranty Fund in full for:

(1) the amount paid by the Guaranty Fund; and

(2) interest on the amount paid by the Guaranty Fund at an annual rate of at least 10%, as set by the Commission.

(b) Each licensee who the Commission finds responsible for the act or omission that gave rise to a claim is jointly and severally liable for the claim.

(c) If a licensee does not reimburse the Guaranty Fund as provided in subsection (a) of this section, the Commission or the State Central Collection Unit, as assignee of the



Commission, may bring an action against the licensee for the amount that has not been reimbursed.

(d) The Commission or the State Central Collection Unit, as assignee of the Commission, shall be entitled to a judgment for the amount that the licensee has not reimbursed the Guaranty Fund if the Commission proves that:

(1) payment was made by the Guaranty Fund based on an act or omission for which the Commission found the licensee was responsible;

(2) a period of at least 30 days has passed since payment was made by the Guaranty Fund; and

(3) the licensee has not reimbursed the Guaranty Fund for the amount for which the judgment is sought.

(e) (1) If a person liable for reimbursing the Guaranty Fund under this section receives a demand for reimbursement and fails to reimburse the Fund, the reimbursement amount and any accrued interest or cost are a lien in favor of the State on any real property of the person if the lien is recorded and indexed as provided in this subsection.

(2) The lien in favor of the State created by this subsection may not attach to specific property until the State Central Collection Unit records written notice of the lien in the office of the clerk of the court for the county in which the property subject to the lien or any part of the property is located.

(3) The lien in favor of the State created by this subsection does not have priority as to any specific property over any person who is a lienholder of record at the time the notice required under paragraph (2) of this subsection is recorded.

(4) The notice required under paragraph (2) of this subsection shall contain the name and address of the person against whose property the lien exists, the amount of the lien, a description of or reference to the property subject to the lien, and the date the Guaranty Fund paid the claim giving rise to the lien.

(5) Upon presentation of a release of any lien in favor of the State created by this subsection, the clerk of the court in which the lien is recorded and indexed shall record and index the release and shall note in the lien docket the date the release is filed and the fact that the lien is released.

(6) The notice required under paragraph (2) of this subsection and any release filed under paragraph (5) of this subsection shall be indexed with the judgment lien records maintained by the office of the clerk of the court where the notice is recorded.

(7) The clerk may collect a reasonable fee for recording and indexing each notice of lien or release of any lien under this subsection.

(f) For the purpose of excepting to a discharge of a licensee under 11 U.S.C. § 523, the Commission or the State Central Collection Unit, as assignee of the Commission, is a creditor of the licensee for the amount that was paid by the Guaranty Fund but that has not been reimbursed by the licensee.

**§ 17-412.**

(a) If the Commission orders payment by the Guaranty Fund of a claim based on an act or omission for which a licensee is responsible, the Commission immediately and without further proceedings shall suspend the license of the licensee.

(b) The Commission may not reinstate a license that is suspended under this section until the individual whose license was suspended:

(1) repays in full:

(i) the amount paid by the Guaranty Fund; and

(ii) the interest due under § 17-411(a)(2) of this subtitle; and

(2) applies to the Commission for reinstatement of the license.

(c) Regardless of whether the disciplinary sanction was imposed for the same act or omission that gave rise to the claim against the Guaranty Fund, the reimbursement of the Guaranty Fund by a licensee does not affect any sanction imposed by the Commission against an individual under the disciplinary provisions of Subtitle 3 of this title.

**§ 17-501.**

(a) In this Part I of this subtitle the following words have the meanings indicated.

(b) "Beneficial owner" means a person, other than the owner of the trust money, for whose benefit a real estate broker or, on behalf of a real estate broker, an associate real estate broker or a real estate salesperson is entrusted to hold trust money.

(c) "Trust money" means a deposit, payment, or other money that a person entrusts to a real estate broker or, on behalf of a real estate broker, to an associate real estate broker or a real estate salesperson to hold for:

(1) the benefit of the owner or beneficial owner of the trust money; and

(2) a purpose that relates to a real estate transaction involving real estate in the State.

**§ 17-502.**

(a) An associate real estate broker or a real estate salesperson who obtains trust money while providing real estate brokerage services promptly shall submit the trust money to the real estate broker on whose behalf the associate real estate broker or the real estate salesperson provided the real estate brokerage services.

(b) (1) Except as otherwise provided in subsection (c) of this section, a real estate broker promptly, but not more than 7 business days after the acceptance of a contract of sale by both parties, shall deposit trust money in an account that is maintained by the real estate broker:

- (i) separately from the real estate broker's own accounts; and
- (ii) solely for trust money.

(2) A real estate broker may not use trust money for any purpose other than that for which it is entrusted to the real estate broker.

(c) Subsection (b)(1) of this section does not apply if the real estate broker receives written directions to the contrary as authorized under § 17-505(d) of this subtitle.

**§ 17-503.**

Except as authorized under § 17-505 of this subtitle, a real estate broker shall deposit all trust money in a financial institution that is located in the State and whose deposits are insured by:

- (1) the Federal Deposit Insurance Corporation;
- (2) the Federal Savings and Loan Insurance Corporation;
- (3) the National Credit Union Administration;
- (4) the State of Maryland Deposit Insurance Fund Corporation; or
- (5) the Credit Union Insurance Corporation.

**§ 17-504.**

Unless the owner and beneficial owner give written instructions to the contrary, a real estate broker may deposit trust money in:

- (1) a noninterest bearing checking account;
- (2) a noninterest bearing savings account; or
- (3) any combination of these accounts.

§ 17-505.

(a) A real estate broker shall maintain trust money in an account authorized under this Part I of this subtitle until:

- (1) the real estate transaction for which the trust money was entrusted is consummated or terminated;
- (2) the real estate broker receives proper written instructions from the owner and beneficial owner directing withdrawal or other disposition of the trust money;
- (3) on an interpleader filed by the real estate broker, a court orders a different disposition; or
- (4) the owner or beneficial owner of the trust money fails to complete the real estate transaction for which the trust money was entrusted and the real estate broker, in the real estate broker's sole discretion, decides to distribute the trust money in accordance with subsection (b) of this section.

(b) (1) Prior to distributing the trust money under subsection (a)(4) of this section, the real estate broker shall notify both the owner and the beneficial owner that the real estate broker intends to distribute the trust money to the person who, in the good faith opinion of the real estate broker, is entitled to receive the trust money in accordance with the terms of the real estate contract which established the trust.

(2) The notice required under this subsection shall:

- (i) be in writing;
- (ii) state whether the trust money will be paid to the owner or beneficial owner; and
- (iii) disclose to the owner and the beneficial owner that:
  1. either party may prevent distribution of the trust money under subsection (a)(4) of this section by submitting a protest within 30 days from the date the notice was delivered or mailed by the real estate broker; and
  2. if neither party submits a protest within 30 days from the date the notice was delivered or mailed by the real estate broker, the trust money will be distributed in accordance with the real estate broker's notice.

(3) The notice required under this subsection shall be:

- (i) hand delivered to both the owner and beneficial owner; or

(ii) sent by certified mail, return receipt requested, and regular mail to both the owner and beneficial owner.

(4) (i) An owner or beneficial owner may protest the distribution of the trust money.

(ii) An owner or beneficial owner shall submit the protest to the real estate broker holding the trust money within 30 days from the date the notice required in paragraph (1) of this subsection was delivered or mailed by the real estate broker.

(iii) A protest shall be in writing and either:

1. hand delivered; or
2. sent by certified mail, return receipt requested, and regular mail.

(5) (i) If a written protest is received by the real estate broker, the real estate broker shall distribute the trust money in accordance with subsection (a)(1), (2), or (3) of this section.

(ii) If no written protest is received by the real estate broker holding the trust money, the real estate broker shall distribute the trust money in accordance with the terms of the notice as required in this section.

(c) When the duty of the real estate broker to maintain trust money in an account terminates, the real estate broker promptly shall account for all trust money.

(d) A real estate broker may invest trust money:

- (1) as the owner and beneficial owner of the trust money instruct in writing; or
- (2) as the real estate broker, owner, and beneficial owner of the trust money agree in writing.

(e) A real estate broker may not be liable to an owner or beneficial owner of the trust money for:

- (1) a good faith decision to distribute the trust money under subsection (a)(4) of this section; or
- (2) a decision not to distribute the trust money under subsection (a)(4) of this section.

(f) An agreement under which a real estate broker is entrusted with the trust money shall contain a statement that the real estate broker may distribute the trust money in accordance with subsection (b) of this section if the owner or beneficial owner of the trust money fails to complete the real estate transaction for which the trust money was entrusted.

**§ 17-507.**

Each real estate broker shall maintain all records of trust money in a secured area within the office of the broker.

**§ 17-508.**

In addition to being subject to disciplinary action under §§ 17-322 and 17-328 of this title, a real estate broker, an associate real estate broker, or a real estate salesperson who violates any provision of this Part I of this subtitle is subject to any other civil or criminal action provided by law.

**§ 17-511.**

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

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

(3) "Interest in a business" means, in the case of a business that is in a corporation, the outstanding voting stock of the corporation through which real estate brokerage services are provided.

(4) (i) "Immediate family member" means a spouse, parent, child, or sibling.

(ii) "Immediate family member" includes a stepparent, stepchild, or stepsibling.

(b) (1) Not more than 50% of the interest in a business may be held directly or indirectly by associate real estate brokers, real estate salespersons, or any combination of associate brokers or salespersons.

(2) Unless the immediate family member is affiliated with the business as an associate real estate broker or real estate salesperson, an interest of a licensee in a business through which real estate brokerage services are provided shall include any interest in the business held by an immediate family member of the licensee.

(c) Except as to the limitation of interest of the professional service corporation in a business through which real estate brokerage services are provided, this section does not affect the formation of a professional service corporation by associate real estate brokers and real estate salespersons authorized by § 17-512 of this subtitle.

**§ 17-512.**

(a) With the consent of a licensed real estate broker, one or more licensed real estate salespersons and licensed associate real estate brokers who are affiliated with the licensed real estate broker may:

(1) organize and wholly own a professional service corporation under the Maryland Professional Service Corporation Act; or

(2) form a limited liability company under the Maryland Limited Liability Company Act.

(b) A professional service corporation may be organized and owned or a limited liability company may be formed under this section by any number and any combination of licensed real estate salespersons and licensed associate real estate brokers. However, each shareholder in the corporation or member of the limited liability company shall be either a licensed real estate salesperson or a licensed associate real estate broker.

(c) A licensed real estate salesperson or a licensed associate real estate broker who is a shareholder of a professional service corporation or a member of a limited liability company may direct that any commission due the salesperson or associate broker be paid to the corporation or limited liability company.

**§ 17-513.**

An individual licensed by this State may divide a fee that is earned on a real estate transaction in this State with an individual licensed to provide real estate brokerage services in another state if the other state allows a fee that is earned on a real estate transaction in that state to be divided with an individual licensed by this State.

**§ 17-514.**

(a) A nonresident applicant for a license shall submit to the Commission an irrevocable consent, as provided under this section.

(b) The consent required under this section shall:

(1) specify that service of process on the executive director of the Commission shall bind the applicant in any action, suit, or proceeding brought against the applicant;

(2) specify that an action, suit, or proceeding may be brought against the applicant in any county in which:

(i) the cause of action arose; or

(ii) the plaintiff resides;

(3) specify that the consent is irrevocable; and

(4) be signed by the applicant.

(c) The Commission may not issue a license to a nonresident applicant, unless the nonresident applicant complies with the requirements of subsections (a) and (b) of this section.

(d) (1) Subject to paragraph (2) of this subsection, service of process on the executive director of the Commission binds any person who has submitted a consent to the Commission, as required under this section.

(2) If service of process is made on the executive director of the Commission as authorized under this section, the person filing immediately shall:

(i) submit a copy of the filing to the Commission; and

(ii) send a copy of the filing, by certified mail, return receipt requested, to the principal office of the person against whom the action, suit, or proceeding is directed.

(3) As to any person who submits a consent as required under this section, any action, suit, or proceeding may be brought in any county of the State in which:

(i) the cause of action arose; or

(ii) the plaintiff resides.

#### § 17-515.

(a) If any of the following acts are performed by a nonresident real estate broker, nonresident associate real estate broker, or nonresident real estate salesperson, the act shall constitute an irrevocable consent, as provided in subsection (b) of this section:

(1) participating in any real estate transaction in the State; or

(2) dividing fees or holding deposits from any real estate transaction in the State.

(b) A consent arising under this section shall have the same effect and be subject to the same procedures for service of process as a consent submitted under § 17-514 of this subtitle.

#### § 17-516.

A person may not bring an action or recover on an action for compensation for providing real estate brokerage services in a court of the State unless the person was authorized to provide real estate brokerage services under this title at the time of offering to provide and providing real estate brokerage services.

#### § 17-517.



(a) Each licensed real estate broker who is a resident of the State shall maintain an office in the State.

(b) Each licensed real estate broker who is a nonresident of the State shall maintain an office in this State if the state in which the nonresident broker resides requires a resident of this State who is licensed in the other state to maintain an office in that state.

**§ 17-518.**

(a) Subject to the provisions of this subtitle, a licensed real estate broker may maintain branch offices in the State.

(b) A licensed real estate broker shall obtain a branch office certificate before the broker may maintain a branch office in the State.

(c) (1) An applicant for a branch office certificate shall:

(i) submit to the Commission an application on the form that the Commission provides;

(ii) submit to the Commission written notice of the identity of the individual appointed as manager of the branch office under subsection (d) of this section; and

(iii) pay to the Commission an application fee of \$5.

(2) The Commission shall issue a branch office certificate to each licensed real estate broker who meets the requirements of this section.

(d) (1) Subject to paragraph (2) of this subsection, the licensed real estate broker shall designate a manager for each branch office of the broker.

(2) The manager shall be:

(i) a licensed associate real estate broker; or

(ii) a licensed real estate salesperson who has at least 3 years' experience providing real estate brokerage services.

(3) The manager shall have the responsibility to supervise the provision of real estate brokerage services by the associate brokers and sales agents registered to that office as provided for in § 17-320 of this title.

(e) (1) Unless a branch office certificate is renewed for a 2-year term as provided in this subsection, the certificate expires on the first April 30 that comes:

(i) after the effective date of the certificate; and

(ii) in an even-numbered year.

(2) Before a branch office certificate expires, a licensed real estate broker periodically may renew it for an additional 2-year term, if the broker:

(i) submits to the Commission a renewal application on the form that the Commission provides accompanied by the license renewal application of the manager of the branch office; and

(ii) pays to the Commission a renewal fee of \$5.

(3) The Commission shall renew the branch office certificate of each licensed real estate broker who meets the requirements of this section.

**§ 17-519.**

(a) In accordance with this section, a real estate broker shall display a sign at each office and branch office that the real estate broker maintains for the provision of real estate brokerage services.

(b) The real estate broker shall display the sign conspicuously on the door or outside of the premises of each office or branch office so that the sign is visible to the public.

(c) The real estate broker shall include on the sign the words "real estate" or, where authorized by the respective trade associations, "realtor" or "realist".

**§ 17-520.**

(a) Within the time set by the Commission, a real estate broker shall submit to the Commission:

(1) written notice of any change in the address of the principal office of the broker on the form that the Commission provides;

(2) the license certificate and pocket card of the broker; and

(3) a fee for issuance of a new license certificate and pocket card of \$5.

(b) On receipt of the notice, fee, license certificate, and pocket card, the Commission shall issue a new license certificate and pocket card to the real estate broker for the unexpired period of the broker's license.

(c) Within the time set by the Commission, a real estate broker shall submit to the Commission:

(1) written notice of any change in the address of a branch office of the broker on the form that the Commission provides;

- (2) the branch office certificate; and
- (3) a fee for the issuance of a new branch office certificate of \$5.

(d) On receipt of the notice, fee, and branch office certificate, the Commission shall issue a new branch office certificate to the real estate broker for the unexpired period of the branch office certificate.

(e) If a real estate broker changes the address of the principal office or a branch office of the broker and fails to submit the required notice, the license of the broker shall be suspended automatically until the broker submits the required notice.

**§ 17-521.**

(a) If a person tenders a check to the Commission in payment of a fee and the check is dishonored, the person shall pay to the Commission an additional fee for cost of collection of \$25 for each dishonored check.

(b) If a person is charged an additional fee under this section by the Commission, the original fee may not be considered paid until both the original fee and the additional fee are paid in full.

**§ 17-522.**

(a) After a public hearing, the Commission may declare an urban area a "real estate conservation area" if the Commission finds that the racial stability of the area is threatened by the volume of real estate transactions.

(b) (1) Subject to the provisions of this subsection, the Commission may suspend, by order, any methods of advertising real estate brokerage services or soliciting listings of houses for the purpose of resale or rental in a real estate conservation area if the Commission determines that:

- (i) the area would benefit by the suspension;
- (ii) the suspension would advance a State interest;
- (iii) there is a reasonable basis to believe that panic selling, blockbusting, or depressed real estate market values would occur without the suspension; and
- (iv) there is no less restrictive alternative available.

(2) In determining whether to impose a suspension, the Commission shall base its determination on a preponderance of the evidence.

(3) When determining whether to impose a suspension, the Commission shall provide information to the community affected, including:

- (i) the racial and economic composition of the real estate conservation area;
  - (ii) the number of real estate transactions in the area; and
  - (iii) the fair market values of properties affected.
- (4) A suspension under paragraph (1) of this subsection may not:
- (i) apply to advertising in regularly distributed newspapers, magazines, radio, television, or telephone directories; or
  - (ii) exceed 24 months in duration.
- (c) (1) Subject to the provisions of this subsection, the Commission may:
- (i) modify a suspension;
  - (ii) remove a suspension; or
  - (iii) periodically renew a suspension for a period not exceeding 24 months.
- (2) In determining whether to modify, remove, or renew a suspension, the Commission shall follow the same requirements for originally imposing a suspension under subsection (b) of this section.
- (d) Any person aggrieved by a suspension may take an appeal to the circuit court of any county.

**§ 17-523.**

(a) Each real estate contract submitted to a party by a real estate broker, an associate real estate broker, or a real estate salesperson for use in the sale of residential property used as a dwelling place for one or two single-family units shall contain, in the manner provided under subsection (b) of this section, the following statement, as required by § 14-117 of the Real Property Article:

"Section 14-104 of the Real Property Article of the Annotated Code of Maryland provides that, unless otherwise negotiated in the contract or provided by local law, the cost of any recordation tax or any State or local transfer tax shall be shared equally between the buyer and seller."

(b) The statement required under subsection (a) of this section shall be printed in conspicuous type or handwritten in the contract or an addendum to the contract.

(c) A real estate contract is not rendered invalid by the omission of the statement to the buyer required under subsection (a) of this section.

**§ 17-524.**

(a) Each real estate contract submitted to a party by a real estate broker, an associate real estate broker, or a real estate salesperson for use in the sale of a single-family dwelling shall contain, in bold-faced type, a statement that the buyer has the right to select the buyer's own:

- (1) title insurance company;
- (2) settlement company;
- (3) escrow company;
- (4) mortgage lender, or financial institution as defined in the Financial Institutions Article; or
- (5) title lawyer.

(b) The statement required under subsection (a) of this section shall also contain, in bold-faced type, a statement that a seller may not be prohibited from offering owner financing as a condition of settlement.

(c) A real estate contract is not rendered invalid by the omission of the statement to the buyer required under subsections (a) and (b) of this section.

**§ 17-525.**

(a) The purpose of this section is to prohibit steering and other discriminatory real estate practices with respect to residential housing in Baltimore City to:

- (1) ensure fair and equal real estate housing practices in Baltimore City for all of its residents, regardless of race, color, sex, religion, or national origin;
- (2) provide fair and equal real estate housing opportunities in Baltimore City for all of its residents, regardless of race, color, sex, religion, or national origin; and
- (3) protect and ensure the peace, health, safety, prosperity, and general welfare of all residents of Baltimore City.

(b) This section applies only in regard to residential property in Baltimore City.

(c) (1) (i) Except as provided in paragraph (2) of this subsection, each real estate broker shall maintain a current and complete registry of all residential properties that the broker lists for sale in Baltimore City.

(ii) The real estate broker shall break down the properties listed in the registry into price categories that are established by the Commission.

(iii) If a prospective buyer requests to see the registry, the real estate broker shall allow the prospective buyer to see the part of the registry for the price category in which the prospective buyer indicates interest.

(2) This subsection does not require a real estate broker who is a member of a multiple listing service to disclose properties that are obtained from multiple listing.

(d) (1) Unless requested to do so by a prospective buyer or renter, a real estate broker, an associate real estate broker, or a real estate salesperson may not fail or refuse to show any residential property that is available for sale, rent, or sublease to a prospective buyer or renter because of:

(i) the race, color, sex, religion, or national origin of the prospective buyer or renter; or

(ii) the racial composition or character of the neighborhood where the property is located.

(2) A real estate broker, an associate real estate broker, or a real estate salesperson may not fail or refuse to show all available listed residential properties that are in a certain area and within a specified price range to a prospective buyer or renter who has requested to be shown all available properties that are in the area and within the specified price range.

(3) If the representation is made because of the race, color, sex, religion, or national origin of the prospective buyer or renter or because of the racial composition or character of the area where the property is located, a real estate broker, an associate real estate broker, or a real estate salesperson may not represent to a prospective buyer or renter that the available residential properties, prospective sites for a residence, or listings are limited to those already shown when, in fact, there is a residential property, a prospective site for a residence, or a listing that is available and within the price range specified by the prospective buyer or renter.

(e) This section does not prohibit a real estate broker, an associate real estate broker, or a real estate salesperson from charging a reasonable fee for showing a residential property to a prospective buyer or renter.

(f) The Commission shall enforce the provisions of this section and, for this purpose, may receive complaints, conduct investigations, issue subpoenas, administer oaths, and hold hearings.

**§ 17-526.**

(a) The purpose of this section is to prohibit certain discriminatory real estate practices with respect to housing in Montgomery County to:

(1) ensure fair and equal real estate housing practices for all of its residents, regardless of race, color, religion, sex, marital status, national origin, or, as defined in Article 49B, § 19 of the Code, physical or mental handicap;

(2) provide fair and equal real estate housing opportunities for all of its residents, regardless of race, color, religion, sex, marital status, national origin, or, as defined in Article 49B, § 19 of the Code, physical or mental handicap;

(3) ensure fair and equal real estate housing practices and provide fair and equal real estate housing opportunities for those individuals who are at least 62 years of age; and

(4) protect and ensure the peace, health, safety, prosperity, and general welfare of all residents of Montgomery County.

(b) This section applies only in regard to residential property in Montgomery County.

(c) (1) Each real estate broker shall maintain a current and complete registry of all residential properties that:

(i) the broker personally lists for sale or rent in Montgomery County; and

(ii) if the broker is a member of a multiple listing service, are listed with the multiple listing service in Montgomery County.

(2) The real estate broker shall break down the properties listed in the registry into price categories that are established by the Commission or the multiple listing service.

(3) If a prospective buyer or renter requests to see the registry, the real estate broker shall allow the prospective buyer or renter to see the part of the registry for the price category in which the prospective buyer or renter indicates interest.

(4) The Commission shall:

(i) prepare a notice that sets forth the exact language of paragraphs (1) through (3) of this subsection; and

(ii) distribute a copy of the notice to each real estate office that is located in Montgomery County.

(5) Each real estate broker shall post the notice in a conspicuous place in each real estate office of the broker that is located in Montgomery County.

(d) (1) A real estate broker, an associate real estate broker, or a real estate salesperson may not refuse to show any residential property or prospective site for a residence that is available for sale, rent, or sublease to a prospective buyer or renter because of:

(i) the race, color, religion, sex, marital status, national origin, or, as defined by Article 49B, § 19 of the Code, physical or mental handicap of the prospective buyer or renter; or

(ii) the composition or character of the neighborhood where the property is located.

(2) If the representation is made because of the race, color, religion, sex, marital status, national origin, or, as defined by Article 49B, § 19 of the Code, physical or mental handicap of the prospective buyer or renter or because of the composition or character of the neighborhood where the property is located, a real estate broker, an associate real estate broker, or a real estate salesperson may not represent to a prospective buyer or renter that the available residential properties, prospective sites for a residence, or listings in a specified price range are limited to those already shown when, in fact, there is an additional residential property, a prospective site for a residence, or a listing in a specified price range that is available and within the price range specified by the prospective buyer or renter.

(e) The Commission shall enforce the provisions of this section and, for this purpose, may receive complaints, conduct investigations, issue subpoenas, and hold hearings.

**§ 17-527.**

In Baltimore City and Baltimore County, a real estate broker, associate real estate broker, or real estate salesperson may not mass solicit listings by using the name or address of a present or previous client without the written consent of both parties to the contract.

**§ 17-527.1.**

(a) This section applies to a real estate broker who purchases errors and omissions insurance that provides coverage to the associate real estate brokers and the real estate salespersons who are affiliated with or employed by the real estate broker.

(b) A real estate broker shall provide immediate notice of a discontinuance of the broker's errors and omissions insurance to those associate real estate brokers and real estate salespersons who were covered under the broker's policy.

**§ 17-527.2.**

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

(2) "Advertise" means the use of any oral, written, or visual advertisement by a licensed real estate salesperson, licensed real estate broker, licensed associate real estate broker, or other person on behalf of a licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker.

(3) (i) "Advertisement" means, unless the context requires otherwise, any oral, written, or printed media advertisement.



(ii) "Advertisement" includes any correspondence, mailing, newsletter, brochure, business card, for sale or for lease sign and sign rider, promotional item, automobile signage, telephone directory listing, television announcement, radio announcement, telephone solicitation, and World Wide Web and Internet voice-overs.

(4) (i) "Designated name" means the individual name of a licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker other than the licensed real estate salesperson's, licensed real estate broker's, or licensed associate real estate broker's full legal name.

(ii) "Designated name" includes a first name, nickname, or last name.

(b) A licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker may not advertise unless:

(1) the name or designated name of the licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker, as the name or designated name appears on the license certificate and pocket card issued by the Commission, is meaningfully and conspicuously included in the advertisement; and

(2) the name of the business with which the licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker is affiliated:

(i) is meaningfully and conspicuously included in the advertisement; and

(ii) is the full name of the business and not a logo used by the business.

**§ 17-527.3.**

(a) A licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker may provide real estate brokerage services under a designated name that has been approved by the Commission.

(b) Subject to the approval of the Commission, a licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker may add a designated name on a license certificate and pocket card if the licensee submits to the Commission:

(1) an application on the form that the Commission provides;

(2) the license certificate and pocket card of the licensee;

(3) any documentation about the designated name that the Commission requires;

and

(4) a fee of \$5.

(c) The full legal name of the licensee and the approved designated name shall be displayed on the new license certificate and pocket card.

§ 17-528.

(a) In this Part III of this subtitle the following words have the meanings indicated.

(b) "Agency relationship" means each relationship in which a licensee acts for or represents another person with the person's authority in a residential real estate transaction.

(c) "Broker" means a licensed real estate broker, including a corporation, limited liability company, partnership, or sole proprietorship through which a licensed real estate broker provides real estate brokerage services under § 17-321 of this title.

(d) "Brokerage agreement" means a written agreement between a broker and a client to provide real estate brokerage services under a brokerage relationship.

(e) "Brokerage relationship" means an agency relationship under a brokerage agreement between a client and a broker who has been engaged by the client to provide real estate brokerage services in a residential real estate transaction.

(f) "Client" means a person who has entered into a brokerage agreement with a broker under a brokerage relationship.

(g) (1) "Common source information company" means any person that is a source, compiler, or supplier of information regarding residential real estate for sale or lease or other data.

(2) "Common source information company" includes a multiple listing service.

(h) "Confidential information" includes information that:

(1) the seller or lessor will accept a price or rent less than the price or rent as set forth in the brokerage agreement or will accept terms other than those contained in the brokerage agreement;

(2) the buyer or lessee is willing to pay a price or rent higher than the price or rent the buyer or lessee offered or will accept terms other than those contained in the offer of the buyer or lessee;

(3) discloses the motivation of a buyer, lessee, seller, or lessor or the need or urgency of a seller to sell, a buyer to buy, a lessee to lease, or a lessor to lease;

(4) discloses any facts that led the seller to sell, the buyer to buy, the lessee to lease, or the lessor to lease; or

(5) relates to the negotiating strategy of a client.

(i) "Ministerial act" means an act that:

(1) a licensee performs on behalf of a client before and after the execution of a contract of sale or lease;

(2) assists another person to complete or fulfill a contract of sale or lease with the client of the licensee; and

(3) does not involve discretion or the exercise of the licensee's own judgment.

(j) "Subagent" includes a cooperating agent who acts on behalf of a client of another broker.

(k) "Timely" means a reasonable time under the particular facts and circumstances.

**§ 17-529.**

(a) This Part III of this subtitle applies only to:

(1) the sale or lease of real property improved by one, two, three, or four single-family units; and

(2) unimproved real property zoned for residential use by the local zoning authority of the county or municipality in which the real property is located.

(b) This Part III of this subtitle does not apply to a lease of 125 days or less.

**§ 17-530.**

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

(2) "Buyer's agent" means a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who represents a prospective buyer or lessee in the acquisition of real estate for sale or for lease.

(3) "Cooperating agent" means a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who:

(i) is not affiliated with or is not acting as the listing real estate broker for a property; and

(ii) assists a prospective buyer or lessee as a subagent of the listing real estate broker, in the acquisition of real estate for sale or for lease.

(4) "Intra-company agent" means a licensed associate real estate broker or licensed real estate salesperson who has been designated by the real estate broker who the

associate real estate broker or licensed real estate salesperson is affiliated with to act as a dual agent on behalf of a seller or lessor or buyer or lessee in the purchase, sale, or lease of real estate that is listed with the real estate broker.

(5) "Dual agent" means a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who acts as an agent for both the seller and the buyer or the lessor and the lessee in the same real estate transaction.

(6) "Seller's agent" means a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who:

(i) is affiliated with or acts as the listing broker for real estate; and

(ii) assists a prospective buyer or lessee in the acquisition of real estate for sale or for lease.

(b) (1) A licensee who participates in a residential real estate transaction as a seller's agent, buyer's agent, or as a cooperating agent shall disclose in writing that the licensee represents the seller or lessor or the buyer or lessee.

(2) The disclosure shall occur not later than the first scheduled face-to-face contact with the seller or lessor or the buyer or lessee.

(3) (i) In any residential real estate transaction involving a cooperating agent as defined in this section, it shall be the obligation of the cooperating agent to make the written disclosure to the buyer or lessee required under this section.

(ii) In any residential real estate transaction that does not involve a cooperating agent as defined in this section, it shall be the obligation of the seller's agent, as defined in this section, to make the written disclosure to the buyer or lessee required under this section.

(4) In any residential real estate transaction involving a buyer's agent, it shall be the obligation of the buyer's agent to make the written disclosure to the seller or lessor or the agent of the seller or lessor as required under this section.

(5) The written disclosure shall explain:

(i) the differences between a seller's agent, buyer's agent, cooperating agent, dual agent, and intra-company agent;

(ii) the duties of a licensee to exercise reasonable care and diligence and maintain confidentiality;

(iii) that a licensee who assists a buyer or lessee in locating residential real estate for purchase or lease and is neither affiliated with nor acting as the listing real estate broker for any real estate shown or located, is presumed to be acting as a buyer's agent on

behalf of the prospective buyer or lessee, unless either the licensee or the prospective buyer or lessee expressly declines to have the licensee act as a buyer's agent;

(iv) that regardless of whom a licensee represents in a real estate transaction, the licensee has a duty to treat each party fairly, promptly present each written offer and counteroffer, respond truthfully to each question, disclose all material facts that are known or should be known relating to a property, and offer each property without discrimination;

(v) that a licensee is qualified to advise only on real estate matters and that legal or tax advice should be obtained from a licensed attorney or accountant;

(vi) the need for an agreement with a seller's agent, buyer's agent, or dual agent to be in writing and to include the duties and obligations of the agent, how and by whom the agent will be compensated, and any fee-sharing arrangements with other agents;

(vii) the duty of a buyer's agent to assist in the:

1. evaluation of a property, including the provision of a market analysis of the property; and

2. preparation of an offer on a property and to negotiate in the best interests of the buyer;

(viii) the possibility that a dual agency may arise in a real estate transaction and the options that would become available to the buyer and seller or lessee and lessor; and

(ix) that any complaints concerning a licensee may be filed with the State Real Estate Commission.

(c) Except as otherwise provided in subsection (d) of this section, a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson may not act as a dual agent in this State.

(d) (1) (i) If a licensed real estate broker or a designee of the real estate broker obtains the written informed consent of all parties to a real estate transaction, the real estate broker may act as a dual agent in the transaction.

(ii) When acting as a dual agent in a real estate transaction, a real estate broker or a designee of the real estate broker shall assign a licensed associate real estate broker or licensed real estate salesperson affiliated with the real estate broker to act as the intra-company agent on behalf of the seller or lessor and another licensed associate real estate broker or licensed real estate salesperson affiliated with the real estate broker to act as the intra-company agent on behalf of the buyer or lessee.

(iii) 1. Except as otherwise required by this title and except to the intra-company agent's real estate broker or a designee of the real estate broker, an intra-company

agent may not disclose information that a seller or buyer in a real estate transaction requests to remain confidential.

2. Except as otherwise required by this title, the real estate broker or the designee of the real estate broker acting as the dual agent may not disclose confidential information to the buyer or seller or the buyer's or seller's intra-company agent in the same real estate transaction.

(iv) If a real estate broker offers any financial bonuses to licensees affiliated with the broker for the sale or lease of real property listed with the real estate broker, the real estate broker shall provide to each party to a real estate transaction a statement that discloses that financial bonuses are offered.

(v) An intra-company agent representing the seller or buyer may provide the same services to the client as an exclusive agent for the seller or buyer, including advising the client as to price and negotiation strategy, provided that the intra-company agent has made the appropriate disclosures to the client and the client has consented, as required by this section, to dual agency representation.

(vi) The provisions of the services specified in this subsection may not be construed to be a breach of duty of the licensee, provided that the licensee has complied with the duties specified in § 17-522 of this subtitle.

(2) The written consent shall identify each property for which the real estate broker will serve as a dual agent.

(3) The written consent shall include a statement that:

(i) the real estate broker receives compensation on the sale of a property listed only by the broker;

(ii) as a dual agent the real estate broker represents both the seller and the buyer and there may be a conflict of interest because the interests of the seller and the buyer may be different or adverse;

(iii) as a dual agent the real estate broker does not owe undivided loyalty to either the seller or the buyer;

(iv) except as otherwise required by this title, a dual agent may not disclose information that a seller or buyer in a real estate transaction requests to remain confidential to the buyer or seller in the same real estate transaction;

(v) unless authorized by the seller, a dual agent may not tell a buyer that the seller will accept a price lower than the listing price or accept terms other than those contained in the listing agreement or suggest that the seller accept a lower price in the presence of the buyer;

(vi) unless authorized by the buyer, a dual agent may not tell a seller that the buyer is willing to pay a price higher than the price the buyer offered or accept terms other than those contained in the offer of the buyer or suggest that the buyer pay a higher price in the presence of the seller;

(vii) a dual agent may not disclose the motivation of a buyer or seller or the need or urgency of a seller to sell or a buyer to buy;

(viii) except as otherwise required by this title, if the information is confidential, a dual agent may not disclose any facts that lead the seller to sell;

(ix) the buyer or seller does not have to consent to the dual agency;

(x) the buyer or seller has voluntarily consented to the dual agency; and

(xi) the terms of the dual agency are understood by the buyer or seller.

(4) (i) A cause of action may not arise against a licensee for disclosure of the dual agency relationship as provided by this section.

(ii) A dual agent does not terminate any brokerage relationship by making any required disclosure of dual agency.

(5) (i) In any residential real estate transaction, a licensee may withdraw from representing a client who refuses to consent to a disclosed dual agency and to terminate the brokerage relationship with the client.

(ii) The withdrawal may not prejudice the ability of the licensee to continue to represent the other client in the transaction, nor to limit the licensee from representing the client who refused the dual agency in other transactions not involving dual agency.

(e) (1) The State Real Estate Commission shall require a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who participates in a residential real estate transaction to utilize a standard disclosure form in each real estate transaction that includes the information specified in subsection (b)(5) of this section.

(2) The State Real Estate Commission shall require a licensed real estate broker who acts as a dual agent and a licensed real estate associate broker or licensed real estate salesperson who acts as an intra-company agent in a real estate transaction to utilize a standard consent form that includes the information specified in subsection (d)(3) of this section.

(f) (1) The State Real Estate Commission shall prepare and provide a copy of:

(i) the standard disclosure form required under subsection (b) of this section to each licensee in this State; and

(ii) the standard consent form required under subsection (d) of this section to each licensee in this State.

(2) The disclosure form and the consent form shall be:

(i) written in a clear and coherent manner using words with common and everyday meanings;

(ii) appropriately divided and captioned by their various sections; and

(iii) printed in at least 10 point type.

**§ 17-531.**

This Part III of this subtitle does not prohibit a licensee and a client from entering a brokerage agreement that imposes on a licensee duties and obligations in addition to the duties and obligations specified in § 17-532 of this subtitle.

**§ 17-532.**

(a) In this section, "client" includes a prospective buyer or lessee under a presumed buyer's agency relationship or a presumed lessee's agency relationship as described in § 17-533 of this subtitle.

(b) A licensee shall comply with the provisions of this section when providing real estate brokerage services.

(c) (1) A licensee shall:

(i) act in accordance with the terms of the brokerage agreement;

(ii) promote the interests of the client by:

1. seeking a sale or lease of real estate at a price or rent specified in the brokerage agreement or at a price or rent acceptable to the client;

2. seeking a sale or lease of real estate on terms specified in the brokerage agreement or on terms acceptable to the client; and

3. unless otherwise specified in the brokerage agreement, presenting in a timely manner all written offers or counteroffers to and from the client, even if the real estate is subject to an existing contract of sale or lease;

(iii) disclose to the client all material facts as required under § 17-322 of this title;



- (iv) treat all parties to the transaction honestly and fairly and answer all questions truthfully;
- (v) in a timely manner account for all trust money received;
- (vi) exercise reasonable care and diligence; and
- (vii) comply with all:
  1. requirements of this title;
  2. applicable federal, State, and local fair housing laws and regulations;
  3. other applicable laws and regulations.

and

(2) Unless the client consents in writing to the disclosure, a licensee may not disclose confidential information received from or about a client to any other party or licensee acting as the agent of that party or other representative of that party.

(3) Unless the client to whom the confidential information relates consents in writing to a disclosure of that confidential information, a licensee who receives confidential information from or about the licensee's own past or present client or a past or present client of the licensee's broker may not disclose that information to:

- (i) any of the licensee's other clients;
- (ii) any of the clients of the licensee's broker;
- (iii) any other party;
- (iv) any licensee acting as an agent for another party; or
- (v) any representative of another party.

(4) Unless otherwise specified in the brokerage agreement, a licensee is not required to seek additional offers to purchase or lease real estate while the real estate is subject to an existing contract of sale or lease.

(5) An intra-company agent may disclose confidential information to the broker or dual agent for whom the intra-company agent works but the broker or dual agent may not disclose that confidential information to the other party or the intra-company agent for the other party, as provided in § 17-530(d).

- (d) A licensee does not breach any duty or obligation to the client by:

- (1) showing other available properties to prospective buyers or lessees;
  - (2) representing other clients who have or are looking for similar properties for sale or lease;
  - (3) representing other sellers or lessors who have similar properties to that sought by the buyer or lessee; and
  - (4) showing the buyer other available properties.
- (e) This title does not limit the applicability of § 10-702 of the Real Property Article.
- (f) The requirements of this section are in addition to any other duties required of the agent by law that are not inconsistent with these duties.
- (g) The duties specified in this section may not be waived or modified.
- (h) A licensee who performs ministerial acts for a person may not be construed to:
- (1) violate the licensee's duties to the client, provided that the client has consented in the brokerage agreement to the licensee's provision of ministerial acts; or
  - (2) form an agency relationship between the licensee and the person for whom the ministerial acts are performed.

**§ 17-533.**

- (a) A licensee who assists a prospective buyer or lessee in locating residential real estate for purchase or lease and is neither affiliated with nor acting as the listing real estate broker for any real estate shown or located, is presumed to be acting as the buyer's or lessee's agent representing the buyer or lessee unless either the licensee or the buyer or lessee expressly declines to have the licensee act as a buyer's or lessee's agent.
- (b) A presumed buyer's or lessee's agency relationship shall be terminated if:
- (1) either the buyer, lessee, or licensee expressly states a wish to terminate the presumed agency relationship; or
  - (2) the licensee and either the buyer or the lessee enter into a brokerage agreement.
- (c) The buyer or lessee does not have an obligation to continue to work with the licensee or to pay the licensee while acting under a presumed agency relationship.
- (d) A licensee who is acting as a presumed buyer's or lessee's agent may show and assist the buyer or lessee only on real estate that is not listed by the broker of that licensee.

(e) Before the licensee may show or assist the buyer or lessee in locating real estate listed for sale by the broker with whom the licensee is affiliated, the licensee shall disclose to the prospective buyer or lessee that the licensee represents the seller or lessor for that real estate as provided in § 17-530(b) of this subtitle.

(f) A licensee may represent the prospective buyer or lessee for such real estate as an intra-company agent provided that:

- (1) the licensee has executed a written consent for dual agency agreement; and
- (2) the licensee has made the necessary disclosure and obtained consent as required by § 17-530(d).

(g) Before the licensee may present an offer to purchase or lease or negotiate the purchase or lease of real estate, the presumed buyer's or lessee's agency must be terminated and the buyer or lessee and the licensee shall enter into a brokerage agreement for that licensee to act as an exclusive buyer's or lessee's agent or as an intra-company agent for the buyer or lessee.

(h) The licensee acting as the presumed buyer's or lessee's agent shall comply with § 17-532 of this subtitle and has the duties stated in the required disclosure form under § 17-530 of this subtitle.

(i) At the first meeting of the licensee and the buyer or lessee, the licensee shall:

- (1) orally advise the prospective buyer or lessee that the licensee will act as the buyer's or lessee's agent in locating residential real estate unless the buyer or lessee declines the agency; and
- (2) provide the prospective buyer or lessee with a copy of the disclosure form required by § 17-530 of this subtitle, but the licensee is not required to obtain the signature of the buyer or lessee before or during the presumed agency relationship.

(j) A licensee acting as a presumed buyer's agent shall orally disclose that fact to the seller or lessor or the licensee acting as the agent of the seller or lessor at their first contact.

#### **§ 17-534.**

(a) Except as provided in § 17-533 of this subtitle, a brokerage relationship commences at the time that a client enters into a brokerage agreement and shall continue until:

- (1) the completion of performance in accordance with the brokerage agreement;
- or
- (2) the earlier of:

- (i) any date of expiration as agreed on by the parties in the brokerage agreement or in any amendments to the brokerage agreement;
  - (ii) any mutually agreed on termination of the brokerage relationship;
  - (iii) a default by any party under the terms of the brokerage agreement; or
  - (iv) a termination under § 17-530 of this subtitle.
- (b) The brokerage agreement shall:
- (1) have a definite termination date that is effective automatically without notice from the client;
  - (2) state the amount of compensation to be paid to the broker and whether the broker is authorized to receive the compensation from a person other than the client;
  - (3) state whether the broker is authorized to cooperate with other brokers and share compensation with the other brokers and the amount of the compensation;
  - (4) explain the events or conditions that will entitle the broker to a commission or other compensation; and
  - (5) contain a provision for the cancellation of the brokerage relationship by either the client or the broker.
- (c) Except as otherwise provided in the brokerage agreement, a licensee shall have no further duties or obligations to a client after the termination, expiration, or completion of performance of the brokerage relationship, except to:
- (1) account for all trust money in the licensee's possession in accordance with this title; and
  - (2) except as otherwise provided by this title or another law, keep confidential all personal and financial information received from the client during the course of the brokerage relationship and any other information that the client requests during the brokerage relationship to be kept confidential, unless:
    - (i) the client consents in writing to the disclosure of the information; or
    - (ii) the information becomes public from a source other than the licensee.
- (d) The payment or promise of payment of compensation to a licensed real estate broker by a seller, lessor, buyer, or lessee, or by a licensee acting for a seller, lessor, buyer, or lessee:

(1) is not determinative of whether a brokerage relationship has been created or exists; and

(2) does not create or determine the existence of a brokerage relationship between a broker and a seller, lessor, buyer, lessee, or licensee.

**§ 17-535.**

(a) A licensee may not be deemed to be an agent or subagent of or to have an agency relationship with a common source information company solely by reason of a licensee's participation in a common source information company.

(b) A licensee may not be deemed to be an agent or subagent of any client of another broker solely by reason of a licensee's participation in or use of a common source information company.

(c) A common source information company may not restrict access to its services to any licensee solely based on the size or type of licensee.

**§ 17-536.**

(a) In this Part IV of this subtitle the following words have the meanings indicated.

(b) "Commercial real estate" means:

(1) real property improved by five or more single-family units;

(2) improved and unimproved real property zoned for commercial, industrial, or nonresidential use by the local zoning authority of the county or municipality in which the property is located; and

(3) unimproved real property zoned for improvement as multifamily units by the local zoning authority of the county or municipality in which the property is located.

(c) "Commercial real estate" does not include:

(1) property zoned for agricultural use; or

(2) single-family units, including a condominium or co-op unit, for sale or for lease, or otherwise conveyed or to be conveyed on a single basis.

(d) "Nonresident real estate broker" means an individual, partnership, joint venture, limited liability company, limited liability partnership, or corporation that is not licensed under Subtitle 3 of this title but is licensed to provide real estate brokerage services in a jurisdiction other than this State.

(e) "Nonresident real estate salesperson" means an individual who is not licensed under Subtitle 3 of this title but is licensed to provide real estate brokerage services and is affiliated with a nonresident real estate broker.

**§ 17-537.**

(a) A nonresident real estate broker may engage in a transaction under this title with respect to commercial real estate located in this State and receive compensation provided the nonresident real estate broker:

(1) provides real estate brokerage services through a real estate broker licensed under this title;

(2) enters into a written agreement with a licensed real estate broker in this State which:

(i) specifies the terms of cooperation and compensation and includes a statement by the nonresident real estate broker that the nonresident real estate broker and the nonresident real estate salespersons licensed and affiliated with the nonresident real estate broker will both adhere to the laws of this State and this title; and

(ii) allocates the responsibility for the actions of the nonresident real estate broker in the transaction; and

(3) complies with the requirements of subsection (b) of this section.

(b) Before a nonresident real estate broker may provide real estate brokerage services in this State, the nonresident real estate broker shall make written application to the Commission including:

(1) the name, address, and telephone number of the nonresident real estate broker;

(2) the name, address, and telephone number of the business entity through which the nonresident real estate broker provides real estate brokerage services;

(3) the name, address, and telephone number of each nonresident real estate salesperson who will offer or provide real estate brokerage services in this State on behalf of the nonresident real estate broker;

(4) a copy of the agreement required by subsection (a) of this section;

(5) written evidence that the nonresident real estate broker and each nonresident real estate salesperson listed under paragraph (3) of this subsection, are duly licensed in another jurisdiction, and that the license is valid, current, and active;

(6) written consent signed by the nonresident real estate broker, individually and on behalf of the business entity, and by each nonresident real estate salesperson listed under paragraph (3) of this subsection, that service of process on the Executive Director of the Commission shall bind the applicant in any action, suit, or proceeding brought against the broker or salesperson;

(7) written consent signed by the nonresident real estate broker and by each nonresident salesperson listed under paragraph (3) of this subsection, to submit to the jurisdiction of the Commission for the purposes of disciplinary action under § 17-322 of this title;

(8) any other information that is requested by the Commission; and

(9) a temporary license fee of \$45.

(c) The Commission shall issue a temporary license to a nonresident real estate broker who complies with the requirements of this section if the jurisdiction in which the real estate broker holds a current license:

(1) allows a Maryland broker to obtain a temporary license under similar circumstances; or

(2) waives the examination and qualification requirements for licensure for individuals licensed in Maryland.

**§ 17-538.**

(a) Upon approval by the Commission, a nonresident real estate broker may engage in a transaction in this State with respect to commercial real estate.

(b) A nonresident real estate salesperson licensed in another jurisdiction and affiliated with a nonresident real estate broker may engage in a transaction in this State with respect to commercial real estate if:

(1) the nonresident real estate salesperson is licensed with and provides real estate brokerage services under the direct supervision of the nonresident real estate broker;

(2) the nonresident real estate broker satisfies the requirements of § 17-537 of this subtitle; and

(3) the nonresident real estate salesperson provides real estate brokerage services in the name of the nonresident real estate broker.

**§ 17-539.**

All trust money paid on account of a transaction involving commercial real estate in this State shall be received and deposited in the trust account of the Maryland broker in accordance with Part I of this subtitle.

**§ 17-540.**

By filing the written consent required under § 17-537(b)(6) of this subtitle, the nonresident real estate broker or nonresident real estate salesperson appoints the Executive Director of the Commission as agent to receive a subpoena, summons, or other process.

**§ 17-601.**

(a) Except as otherwise provided in this title, a person may not provide, attempt to provide, or offer to provide real estate brokerage services unless licensed by the Commission as a real estate broker.

(b) Except as otherwise provided in this title, a person may not, on behalf of a real estate broker, provide, attempt to provide, or offer to provide real estate brokerage services unless licensed by the Commission as an associate real estate broker or a real estate salesperson to provide real estate brokerage services for that real estate broker.

**§ 17-602.**

(a) Unless authorized under this title to provide real estate brokerage services, a person may not represent to the public, by use of the title "licensed real estate broker", by other title, by description of services, methods, or procedures, or otherwise, that the person is authorized to provide real estate brokerage services in the State.

(b) Unless authorized under this title to provide real estate brokerage services on behalf of a real estate broker, a person may not represent to the public, by use of the titles "licensed associate real estate broker" or "licensed real estate salesperson", by other title, by description of services, methods, or procedures, or otherwise, that the person is authorized to provide real estate brokerage services in the State on behalf of that real estate broker.

**§ 17-603.**

(a) A real estate broker may not allow an associate real estate broker, a real estate salesperson, or any other unauthorized individual to provide real estate brokerage services independently as a real estate broker.

(b) A real estate broker may not retain an unlicensed individual to provide real estate brokerage services on behalf of the real estate broker.

(c) A licensed real estate broker may not lend the license certificate or pocket card of the broker to another individual.

**§ 17-604.**



(a) Except as provided in subsection (b) of this section, a real estate broker, an associate real estate broker, or a real estate salesperson may not pay compensation, in any form, for the provision of real estate brokerage services to any person who is not licensed under this title.

(b) This section does not prohibit the payment of compensation to:

(1) an individual:

(i) who is licensed in another state; and

(ii) who meets the requirements of § 17-513 of this title;

(2) a professional service corporation formed under § 17-512 of this title; or

(3) a limited liability company formed under § 17-512 of this title.

**§ 17-605.**

(a) (1) Except as otherwise provided in subsection (b) of this section, a real estate broker, an associate real estate broker, or a real estate salesperson may not pay or offer to pay a commission to a lawyer simply for the referral of a person as a possible party to a residential real estate transaction.

(2) A real estate broker, an associate real estate broker, or a real estate salesperson may not solicit referral business from lawyers by a mass solicitation that offers to pay fees or commissions to the lawyers.

(b) Subsection (a)(1) of this section does not apply to payments or offers of payments to lawyers who hold a real estate broker license under this title or are otherwise entitled to a commission.

(c) Other than the commissions expressly prohibited, subsection (a) of this section does not prohibit the payment or the offer of a payment of a commission by a real estate broker, an associate real estate broker, or a real estate salesperson to a lawyer for any service that relates to a real estate transaction.

**§ 17-606.**

A real estate broker, an associate real estate broker, or a real estate salesperson may not post, on real property that is offered for sale or exchange, an outdoor sign or other advertisement on which the cost and capitalization of ground rent on the real property is shown in print or lettering that is smaller than the size of the print or lettering that is used to show the price of the real property.

**§ 17-607.**

(a) Except as otherwise provided in subsection (b) of this section, in a real estate transaction involving a single-family dwelling, a real estate broker, an associate real estate broker, a real estate salesperson, or a lawyer acting as a real estate broker may not require a buyer, as a condition of settlement, to employ a particular:

- (1) title insurance company;
- (2) settlement company;
- (3) escrow company;
- (4) mortgage lender, or financial institution as defined in the Financial Institutions Article; or
- (5) title lawyer.

(b) A seller may not be prohibited from offering owner financing as a condition of settlement.

**§ 17-608.**

(a) (1) In this subsection, "handicap" and "familial status" each have the meanings indicated in the federal Fair Housing Act.

(2) Whether or not acting for monetary gain, a person may not knowingly induce or attempt to induce another person to sell or rent a dwelling or otherwise transfer real estate or knowingly discourage or attempt to discourage another person from buying real estate by:

(i) making representations about the entry or prospective entry into a neighborhood of individuals of a particular race, color, sex, religion, handicap, familial status, or national origin;

(ii) making representations about the existing or potential proximity of real property owned or used by individuals of a particular race, color, sex, religion, handicap, familial status, or national origin; or

(iii) representing that the existing or potential proximity of real property owned or used by individuals of a particular race, color, sex, religion, handicap, familial status, or national origin will or may result in:

1. the lowering of property values;
2. a change in the racial, religious, or ethnic character of the block, neighborhood, or area;
3. an increase in criminal or antisocial behavior in the area; or

4. a decline in the quality of schools serving the area.

(b) A person may not provide financial assistance by loan, gift, or otherwise to another person if the person has actual knowledge that the financial assistance will be used in a transaction that results from a violation of subsection (a) of this section.

**§ 17-609.**

If one of the purposes of the solicitation or attempted solicitation is to change the racial composition of a neighborhood, a person may not solicit or attempt to solicit the listing of residential properties for sale or lease by:

- (1) in person door-to-door solicitation;
- (2) telephone solicitation; or
- (3) mass distribution of circulars.

**§ 17-610.**

A person may not submit to the Commission any notice, statement, or other document under Subtitle 4 of this title that a person knows to be false or to contain any material misstatement of fact.

**§ 17-611.**

A person may not violate a suspension order issued under § 17-522 of this title.

**§ 17-612.**

A corporation, partnership, or other association may not:

- (1) commit or cause any other person to commit any act that constitutes a ground for disciplinary action against a licensee under § 17-322 or § 17-328 of this title; or
- (2) violate or cause any other person to violate any other provision of this title.

**§ 17-613.**

(a) A person who violates any provision of the following sections of this title is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 1 year or both:

- (1) § 17-502;
- (2) § 17-525;

- (3) § 17-526;
- (4) § 17-527;
- (5) § 17-601;
- (6) § 17-602;
- (7) § 17-603;
- (8) § 17-604;
- (9) § 17-605;
- (10) § 17-606;
- (11) § 17-607;
- (12) § 17-608;
- (13) § 17-609;
- (14) § 17-610; and
- (15) § 17-611.

(b) A corporation, partnership, or other association that violates § 17-612 of this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000.

(c) (1) The Commission may impose on a person who violates any provision of this title a penalty not exceeding \$5,000 for each violation.

- (2) In setting the amount of the penalty, the Board shall consider:
  - (i) the seriousness of the violation;
  - (ii) the harm caused by the violation;
  - (iii) the good faith of the violator;
  - (iv) any history of previous violations by the violator; and
  - (v) any other relevant factors.

(3) The Board shall pay any penalty collected under this subsection into the General Fund of the State.

**§ 17-614.**

A court shall report to the Commission for appropriate action under this title each conviction of a real estate broker, an associate real estate broker, or a real estate salesperson for a violation of any provision of the following sections of this title:

- (1) § 17-608;
- (2) § 17-525; and
- (3) § 17-526.

**§ 17-701.**

This title may be cited as the "Maryland Real Estate Brokers Act".

**§ 17-702.**

Subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act, this title and all regulations adopted under this title shall terminate and be of no effect after July 1, 2012.