

Speaker of the House
State House
Annapolis MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 52 – Business Occupations and Professions – Real Estate Licenses – Requirements for Licensure and Renewal.

House Bill 52 alters several provisions in current law relating to continuing education requirements for the renewal of licenses for real estate brokers, associate brokers and salespeople. The bill would require individuals who want to renew a license in and after the license term that begins in 1996 to complete 15 clock-hours of continuing education instruction, with certain exceptions. The bill would require individuals with certain graduate degrees to complete only 7.5 hours of continuing education instruction. Further, individuals who have been licensed for 10 years or more and hold a “real estate designation from a nationally recognized real estate trade association including the National Association of Realtors and the Maryland Association of Realtors” would also be required to complete only 7.5 hours. The bill also adds a requirement that 3 clock-hours of the continuing education instruction must relate to ethics, given recent incidents of “flipping” and other questionable practices.

The provisions of House Bill 52 that alter the requirements for individuals who have been licensed for 10 years or more represent a significant departure from the policy adopted by the General Assembly in 1998. Chapter 360 of the Acts of 1998 reduced the continuing education requirements for those licensees from 15 clock-hours to 6 clock-hours regarding relevant changes to federal, State or local laws. House Bill 52 would increase this requirement to at least 7.5 hours, and possibly 15 hours, for these individuals. I find it troubling that a licensee who is currently required to complete 6 hours of continuing education would now, 4 years after the law was changed, again have to complete 15 hours unless the individual chooses to join a “nationally recognized real estate trade association.” No policy justification has been advanced to justify this change so soon after the clock hour requirement was reduced.

Since the passage of House Bill 52, I have received over 75 letters from licensees requesting that I veto the bill. These individuals have been licensed for many years, but for various reasons have chosen not to join a trade association. Now, they will be faced with the decision to complete an additional 9 clock-hours of instruction, or pay dues to an organization they have consciously decided not to join. These Marylanders have expressed their opinion that they are being forced to take additional courses or sign-up for a membership drive for no apparent policy reason.

The new requirement regarding an enhanced ethics course is meritorious. That requirement could have been integrated into the current continuing education program without imposing additional burdens on licensees. The importance of the ethics course does not, in my opinion, outweigh the interests of the individuals who will be affected by the arbitrary reversal of the 1998 decision to reduce the continuing education requirements for long-term licensees.