

certain account until certain actions occur including the failure of the owner or beneficial owner of trust money 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 according to certain provisions of law; prohibiting a real estate broker from being held civilly liable to the owner or beneficial owner of trust money for a good faith decision to distribute or a decision not to distribute certain trust money under a certain provision of law; and generally relating to the distribution of trust money by real estate brokers and the liability of real estate brokers for the distribution of trust money.

BY repealing and reenacting, with amendments,

Article – Business Occupations and Professions

Section 17-505

Annotated Code of Maryland

(2000 Replacement Volume and 2003 Supplement)

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

**Article – Business Occupations and Professions**

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;