

MARYLAND REAL ESTATE COMMISSION
500 North Calvert Street
Baltimore, MD 21202

Mission: Protecting the health, safety, and welfare of the public
through examination, licensing, and regulatory activities regarding real estate

BUSINESS MEETING MINUTES
August 15, 2018 10:30 a.m.

Highlights from the meeting:

- Guaranty fund balance for June is \$1,113,079.86
- Progress being made on making PSI pass rates available online
- FAQs have been added to the website

PRESENT:

Commissioner J. Nicholas D'Ambrosia, Chair (Industry)
Commissioner Jeff Wright (Industry)
Commissioner Owen Taylor (Consumer)
Commissioner Marla Johnson (Industry)
Commissioner Demetria Scott (Industry)
Commissioner Anne Cooke (Industry)
Commissioner Kambon Williams (Consumer)
Commissioner James Reeder (Consumer)
Matthew Lawrence, AAG
Charlene Faison, Education Director, Session Recorder
Michael Kasnic, Executive Director

ABSENT:

Commissioner Karen Baker (Consumer)

PUBLIC IN ATTENDANCE:

Bill Castelli, MD Realtors
Jason Brand, AACAR
Kathie Connelly, Broker

CALL TO ORDER:

J. Nicholas D'Ambrosia, Chair, called the meeting to order at 10:31 AM

PLEDGE OF ALLEGIANCE

REPORT OF COMPLAINTS/ADMINISTRATIVE DISMISSALS:

Motion (made by Marla Johnson, seconded by Anne Cooke) **To approve the Administrative Dismissals for the month of August 2018. Motion carried.**

COMMITTEE REPORTS:

1. Education – Jeff Wright
 - For the month of July 2018 PSI administered 1038 salesperson and 59 broker exams, compared to 1042 salesperson and 55 broker exams in July 2017.

- Commissioners were shown a draft spreadsheet of the Examination Pass Rates, which will be added to the MREC website shortly. Questions regarding whether to calculate monthly or quarterly pass rates and how to disseminate the information

2. Legislative – Marla Johnson, Legislative Chair

- Commissioner Johnson did not submit anything for legislature.
- Comments from Bill Castelli, MR
 - Confidentiality of pre-brokers agreement – MR wants code to match up
 - Definition of brokerage relationship left over in the law; goal is to clean up or remove altogether.
 - Minimum number of property transactions – individuals or LLCs or flippers buying and selling properties – should a real estate license be required? In Maryland, there is no number but question was posed through ARELLO listserv to see if other states have a minimum.

COMMENTS FROM EXECUTIVE DIRECTOR: Michael Kasnic

1. Current license count totals 44,810, of which 4,340 are brokers, 3,095 are associate brokers and 36,878 are salespersons, 120 are reciprocal brokers, 51 are reciprocal associate brokers, and 326 are reciprocal salesperson. Inactive total was not reported. There are 692 branch offices.
2. Guaranty fund balance for June 2018 is \$1,113,079.86
3. Many administrative items have been addressed over the past month, to include submission of the 2020 budget request.
4. Candidate for the open investigator position was selected and their start date is September 5, 2018.
5. Auditor checklist has been uploaded to the website.
6. FAQs have been uploaded to the website.
7. Mr. Kasnic spoke with North Carolina regarding Guidelines for Brokers to Prevent OPIOD misuse and Diversion. They provided this information in partnership with the North Carolina Attorney General’s Office, the Department of Justice and the Drug Enforcement Agency. They did not have liability concerns from providing the guidelines. They viewed it more consistent with providing security to owner’s possessions in an open house, but calling attention to a specific issue relevant in today’s environment.
8. ARELLO attendance – Travel authorization requests were submitted and approved for 5 commissioners, including 2 for Commissioner College.
9. Mr. Kasnic will turn over to counsel for the question regarding the Frederick County Economic Development Council and the question regarding providing real estate brokerage services.

COMMENTS FROM COUNSEL: Matthew Lawrence, AAG

- Three names have been submitted to main Attorney General’s office for Mr. Lawrence’s replacement.

COMMENTS FROM CHAIR: J. Nicholas D’Ambrosia

- MREEA questions in 17-547, Misc. provisions, what is considered “direct connection” with respect to teams and advertising. Counsel advises that if a regulation were put in place then it would make the explanation clearer.

Motion (made by Marla Johnson, seconded by Anne Cooke) **To reaffirm the Commission’s position that the interpretation of 17-547(c) regarding a team name being directly connected to the name of the firm requires a word such as, but not limited to, with, of, at.** All in favor: Wright, Cooke, Reeder, Johnson, Williams, D’Ambrosia, Scott, and Taylor. **Minutes are approved.**

Next question to consider is if the Commission would like to make this a regulation.

Motion (made by Anne Cooke, seconded by Jeff Wright) **To direct counsel to promulgate a regulation to modify 17-547(c).** All in favor: Wright, Williams, Cooke, Reeder, Johnson, D’Ambrosia, Scott, and Taylor. **Minutes are approved.**

UNFINISHED BUSINESS:

- Advertising task force met with brokers from across the state, counsel and chair to review and recommend updates to the regulations to contend with changes in the industry and technological changes. A final report was provided by Commissioner Demetria Scott.
- Earnest money deposit – Bill Castelli; MR is revisiting the matter and hope to seek legislation that would require a written agreement between the buyers, sellers and the entity holding the deposit. Commission Taylor expresses dissatisfaction regarding brokers not being required to hold an earnest money deposit. Counsel reminds him the statute to hold earnest money is voluntary. It is a not a requirement. Commission Scott offers rebuttal that Commission Taylor has not cited any type of loss to client in situation he’s brought up. She also notes there are other types of transactions other than residential buyers.

Motion (made by Owen Taylor, seconded by Demetria Scott) **To direct counsel to put in to action a change to the statute to make it mandatory to require brokers to accept earnest money deposits.** All in favor: Wright, Cooke, Reeder, Johnson, Williams, D’Ambrosia, and Taylor. Against: Scott **Motion carried.**

NEW BUSINESS:

None

APPROVAL OF MINUTES:

Motion (made by Anne Cooke, seconded by Jeff Wright) **To approve the minutes of the July 18, 2018 business meeting.** All in favor: Scott, Williams, Cooke, D’Ambrosia, Johnson, Wright, Reeder. Abstain: Owen. **Minutes are approved.**

ADJOURNMENT:

There being no further business, the meeting adjourned at 12:03 P.M. The next monthly business meeting is Wednesday, September 19, 2018.

APPROVED AS PRESENTED _____
J. Nicholas D’Ambrosia, Chairperson

APPROVED AS AMENDED _____
J. Nicholas D’Ambrosia, Chairperson