

Real Estate Brokerage Laws and Customs: Maryland

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A Q&A guide to state laws and customs on brokerage laws relating to commercial real estate transactions in Maryland. This Q&A addresses the state-specific guidance on several questions relating to brokerage laws and customs, including licensing requirements, legal restrictions on a broker's role in a real estate transaction, brokerage agreements, commission payments, and brokers' lien rights. This Q&A guide also provides guidance on any licensing requirements for managing commercial real estate. Answers to questions can be compared across a number of jurisdictions (see Real Estate Brokerage Laws and Customs: State Q&A Tool).

Licensing Laws and Requirements

1. Does your state regulate real estate brokers? If so:

- What statutes or laws regulate licensing requirements for brokers?
- What department oversees the licensing and regulations of brokers?
- Are different types of brokers or other roles recognized by the regulations? If so, specify the scope of responsibilities of these different roles.

Licensing Laws

In Maryland, the licensing requirements for real estate professionals in both commercial and residential real estate transactions are provided by Md. Code Ann., Bus. Occ. & Prof. §§ 17-301 to 17-330.

Regulator

The [Maryland Real Estate Commission](#) oversees the examination, licensure, and regulation of real estate brokers, associate real estate brokers, and real estate salespersons.

Types of Brokers and Their Roles

The Maryland Business Occupations and Professions Code recognizes the following real estate professionals:

- Real estate broker (see Real Estate Broker).
 - Associate real estate broker (see Associate Real Estate Broker).
 - Real estate salesperson (see Real Estate Salesperson).
- (Md. Code Ann., Bus. Occ. & Prof. § 17-101.)

Real Estate Broker

A real estate broker is an individual who provides real estate brokerage services. Real estate brokerage services are defined as any of the following:

- For another person and for consideration:
 - selling, buying, exchanging, or leasing any real estate;
 - collecting rent for the use of any real estate; or
 - assisting another person in locating or obtaining for purchase or lease any residential real estate.
- Engaging regularly in the business of dealing in real estate or leases or options on real estate.
- 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.
- Engaging in a business that subdivides land and sells the divided lots, regardless of whether the land is located in Maryland.



- Serving as a consultant regarding any of the above activities.

(Md. Code Ann., Bus. Occ. & Prof. § 17-101(l), (n).)

Associate Real Estate Broker

An associate real estate broker is an individual who:

- Meets the requirements for a real estate broker license, but who applies for and is granted an associate real estate broker license under Md. Code Ann., Bus. Occ. & Prof. §§ 17-307 and 17-309.
- While affiliated with a licensed real estate broker, provides real estate brokerage services on the broker's behalf.

(Md. Code Ann., Bus. Occ. & Prof. § 17-101(c).)

Real Estate Salesperson

A real estate salesperson is an individual affiliated with and acting on behalf of a licensed real estate broker to provide real estate brokerage services (Md. Code Ann., Bus. Occ. & Prof. § 17-101(o)).

2. What are the licensing requirements for brokers and other roles listed in Question 1?

All real estate professionals must be licensed by the [Maryland Real Estate Commission](#) (MREC) (Md. Code Ann., Bus. Occ. & Prof. § 17-301). There is no difference in licensing requirements for commercial or residential real estate professionals.

Broker

A real estate broker must:

- Be of good character and reputation.
- Be at least 18 years old.
- Unless qualified to practice law in Maryland:
 - successfully complete a real estate education course approved by the MREC that includes three hours of real estate ethics; and
 - have been a licensed real estate salesperson actively providing real estate brokerage services for at least three years.
- Pass the licensing examination administered by the MREC.
- Meet any other requirements established by the MREC.

(Md. Code Ann., Bus. Occ. & Prof. § 17-305.)

An associate broker must meet these same requirements and obtain a commitment from a licensed real estate broker that the associate will become affiliated with the licensed broker once the associate broker's license is issued (Md. Code Ann., Bus. Occ. & Prof. § 17-304).

Salesperson

A real estate salesperson must:

- Be of good character and reputation.
- Be at least 18 years old.
- Successfully complete either:
 - a 60-hour basic real estate course approved by the MREC that includes three hours of real estate ethics; or
 - college real estate courses approved by the MREC that include three hours of real estate ethics.
- Pass the licensing examination administered by the MREC.
- Obtain a commitment from a licensed real estate broker that the salesperson will become affiliated with the licensed broker once the salesperson's license is issued.
- Meet any other requirements established by the MREC.

(Md. Code Ann., Bus. Occ. & Prof. § 17-303.)

3. What are the ongoing requirements for maintaining a license for brokers and other roles listed in Question 1?

Maryland real estate licensees are required to renew their license every two years. In each two-year cycle, all licensees are required to successfully complete 15 hours of continuing education approved by the [Maryland Real Estate Commission](#) (MREC). These hours must include:

- At least one three-hour course on the relevant changes in federal, state, or local laws and regulations, court cases, and industry trends impacting those laws and regulations, or any combination of those laws, regulations, court cases, and industry trends.
- At least one hour-and-a-half course outlining federal, state, and local fair housing laws and regulations, including fair housing advertising.
- At least one three-hour course that includes instruction on the Maryland Code of Ethics and a discussion of the practices of flipping. The ethics course must also include a discussion of:
 - fraudulent real estate practices; and

- professionalism as it relates to the Maryland Code of Ethics, including a discussion on conflict resolution and a licensee's duty to respect the public, peers, and property.
- At least one three-hour course on the principles of real estate brokerage relationships and disclosures.
- For the renewal of a real estate broker license or the license of an individual designated as a branch office manager or a team leader, at least one three-hour course that includes instruction on the requirements of broker supervision.

(Md. Code Ann., Bus. Occ. & Prof. § 17-315.)

The ongoing requirements for commercial and residential real estate professionals are mostly the same, except that individuals providing real estate brokerage services solely in connection with commercial real estate:

- May satisfy one-and-a-half hours of the requirements by completing a course regarding fair housing laws and regulations or the federal Americans with Disabilities Act.
- Are exempted from the requirement that one-and-a-half hours of the 15 total hours of instruction involve federal, state, or local fair housing laws and regulations.

(Md. Code Ann., Bus. Occ. & Prof. § 17-315(a)(2), (b)(3).)

Continuing education courses may be conducted by any of the following:

- The [Maryland Association of Realtors](#) or its member boards.
- The [Real Estate Brokers of Baltimore, Inc.](#)
- Any similar professional association.
- An educational institution approved by the MREC.

All continuing education courses must be taught by a qualified instructor who is experienced in the real estate industry (Md. Code Ann., Bus. Occ. & Prof. § 17-315(c)(1), (2)).

Once a continuing education course is completed, the entity or instructor of the course issues the licensee a certificate of completion that states the number of hours of the course. The MREC accepts the certificate or a copy as evidence of completion of a continuing education course. (Md. Code Ann., Bus. Occ. & Prof. § 17-315(e)(1), (2).)

These continuing education requirements may be waived by the MREC if a licensee shows good cause why they were unable to meet the requirements (Md. Code Ann., Bus. Occ. & Prof. § 17-315(g)).

Licensees who hold a license in another state may satisfy the Maryland continuing education requirements through course offered in another state, if:

- The courses are approved as real estate continuing education in that state.
- The courses satisfy the hour and subject matter requirements listed in Md. Code Ann., Bus. Occ. & Prof. § 17-315(b)(2).
- The other state reciprocally allows Maryland continuing education credits to satisfy that state's own continuing education requirements.

(Md. Code Ann., Bus. Occ. & Prof. § 17-315(a)(3), (4).)

Broker

Brokers have the same 15-hour continuing education requirements as all other types of licensees.

Salesperson

Salespersons have the same 15-hour continuing education requirement as all other licensees.

4. What is the best way to determine if a real estate professional is duly licensed?

The Maryland Department of Labor, Licensing and Regulation [website](#) can be used to check if a particular real estate broker or salesperson is licensed.

5. What is the best way to file a complaint against a real estate professional for fraud, material misrepresentations, negligent acts, or intentional misconduct?

A formal [complaint](#) can be filed with the Department of Labor, Licensing, and Regulation through the Maryland Real Estate Commission.

Customs in Practice for Brokers

6. With regard to brokers in your jurisdiction, please briefly describe:

- The broker's customary involvement in a transaction.
- Whether there are any restrictions on the broker's role.

Broker's Involvement

The practice and customs vary throughout Maryland in both commercial and residential real estate transactions. Generally, a broker's involvement in a transaction (together with salespersons and associate brokers, as appropriate) is as follows:

- **Commercial real property is being transferred.** Brokers are typically involved in the preparation and negotiation of the offer letter, which is usually non-binding. Depending on the transaction, real estate attorneys are often involved in the offer letter stage and are even more often involved in the drafting and negotiation of the purchase agreement. Brokers stay involved throughout the contract period.
- **Residential real property is being transferred.** The real estate broker prepares and negotiates the offer letter (sometimes with the assistance of an attorney). Once the offer letter is accepted by the seller, the real estate broker (often with the engagement of a real estate attorney) drafts and negotiates the purchase agreement on behalf of the purchaser and seller. The real estate broker stays actively involved during the contract period.
- **Commercial real property is being leased.** The real estate broker is often involved in the preparation and negotiation of the term sheet, which is usually expressly non-binding. Depending on the transaction, real estate attorneys are often involved in the term sheet stage, and even more often in the drafting and negotiation of the commercial lease. Brokers stay actively involved in the lease negotiations with the attorneys.
- **Residential real property is being leased for a short term of a year or less.** A real estate broker typically prepares the lease agreement on an industry standardized residential lease form. A real estate attorney may be used for these types of transactions.

Restrictions on Broker's Involvement

Non-attorneys cannot practice law in Maryland, and real estate brokers are prohibited from engaging in activities that constitute the unauthorized practice of law. What constitutes the unauthorized practice of law for real estate brokers is guided by statutory and case law (Md. Code Ann., Bus. Occ. & Prof. §§ 10-101(h)(2) and 10-601; *Attorney Grievance Comm'n of Md. v. Shryock*, 968 A.2d 593 (Md. 2009)).

The *Shryock* case provided that a real estate broker may draft and fill in standard real estate documents used by the industry, but actually drafting legal documents such as an Assignment of Interest in Real Property and a Consent Order of Dismissal constitute the unauthorized practice of law (*Shryock*, 968 A.2d at 600).

Customs in Practice for Attorneys

7. With regard to real estate attorneys in your jurisdiction, please briefly describe:

- When an attorney becomes involved in the transaction, if at all.
- If an attorney can receive commission without a real estate broker license?
- Whether the attorney is exempt from the licensing regulations in Question 1.
- Whether an attorney can act as broker and legal counsel in the same transaction? If so, are any disclosures required?

Involvement

In Maryland in commercial acquisitions, attorneys are usually involved beginning with the offer letter stage. In commercial real estate acquisitions, attorneys usually:

- Assist the broker with the offer letter.
- Draft and negotiate the purchase agreement.
- Assist with the due diligence and loan documents.
- Conduct and coordinate the closing.

In residential acquisitions, attorneys do not usually get involved, if at all, until the purchase agreement stage. In residential real estate acquisitions:

- Brokers or individuals (with the assistance of attorneys) draft and negotiate the offer letter (where used) and the purchase agreement.
- Attorneys conduct and coordinate the closing.

In Maryland commercial leasing transactions, the attorney is usually involved in drafting the term sheet. Real estate attorneys also usually negotiate and draft the lease agreement, and any ancillary instruments.

Attorneys are not usually involved in residential lease transactions.

Commissions

In Maryland, an attorney without a real estate broker's license may not obtain a commission payment simply for referring a person as a possible party to a residential real estate transaction. This restriction does not apply to attorneys who hold a real estate broker's license. However, an attorney who does not regularly engage in providing real estate brokerage services and who does

not represent to the general public that they are in the business of providing real estate brokerage services may be paid a commission for services related to real estate transactions. (Md. Code Ann., Bus. Occ. & Prof., § 17-605; *Atl. Richfield Co. v. Sybert*, 456 A.2d 20, 28 (Md. 1983).)

Exemption from Licensing Regulations

In Maryland, attorneys are not required to have a broker's or salesperson's license if they:

- Are not regularly engaged in the business of providing real estate brokerage services.
- Do 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.
- Provide real estate brokerage services while representing another person in the course of the lawyer's regular practice of law.

(Md. Code Ann., Bus. Occ. & Prof. § 17-301(b)(2).)

However, if an attorney does seek a real estate broker's license, the educational and experience requirements are waived (Md. Code Ann., Bus. Occ. & Prof. § 17-305(d)(2)).

Acting as Broker and Legal Counsel

It is not a conflict of interest for an attorney to act as a person's attorney and real estate broker in a single transaction, if:

- The attorney reasonably believes they can provide competent and diligent representation.
- The attorney's performance is not colored by the fact that some portion of the legal fees would be paid from the proceeds of the real estate.
- The attorney's role as a broker does not:
 - pose a significant risk of materially limiting the attorney's ability to consider, recommend, or carry out an appropriate course of action for the client; or
 - affect the attorney's ability to give detached legal advice.
- The representation is not prohibited by law.
- The client gives informed consent in writing to the representation.

(Md. R Attorneys Rule 19-301.7; *Attorney Grievance Comm'n of Md. v. McClain*, 956 A.2d 135, 141-42 (Md. 2008).)

However, the Maryland Rules of Professional Conduct also provide that it would be professionally improper for a lawyer who conducts a real estate brokerage business to

handle legal work connected with a real estate transaction if either:

- The brokerage services are provided by the attorney in circumstances that are not distinct from the attorney's provision of legal services.
- The brokerage services are provided by an entity controlled by the attorney and reasonable measures are not taken by the attorney to assure that the person obtaining brokerages services knows that:
 - the brokerage services are not legal services; and
 - attorney-client protections do not exist regarding the brokerage services.

(Md. R Attorneys Rule 19-305.7.)

Brokerage Agreements

8. Please describe different brokerage agreements commonly used in your jurisdiction between individuals selling or leasing their property and the brokers.

Generally, exclusive and non-exclusive brokerage agreements are used in Maryland for both commercial and residential transactions.

The types of listings used in Maryland are:

- **Open listing.** In this type of listing, the broker's right to sell is not exclusive, and the seller or landlord can work with any number of brokers. A broker only receives a commission if they find a buyer or tenant for the property. If another broker, the seller, or the landlord finds the buyer or tenant, no commission is paid to the non-procuring broker.
- **Exclusive agency listing.** In this type of listing, the seller or landlord hires a broker as an exclusive agent, but the broker gets a commission only if the broker procures the buyer or tenant. If the seller or landlord finds a buyer or tenant independently of the broker with the exclusive agency listing, then that broker does not receive a commission.
- **Exclusive right to sell or lease listing.** In an exclusive right to sell or lease listing, the broker receives a commission regardless of where the buyer or tenant comes from, even if the seller or landlord finds a buyer or tenant independently of the broker.
- **Multiple listing.** Multiple listings are generally used for the sale or leasing of residential property. A similar concept has more recently been introduced for the sale or leasing of commercial property. The broker provides

information on the property to the local Multiple Listing Service (MLS) office. The MLS office creates a database of property listings which is made available to all affiliated brokers. The broker receives a commission regardless of where the buyer or tenant comes from. The broker must acknowledge that they are working with the MLS office and must cooperate with other brokers. If the sale of the property is made by someone other than the broker who took the initial listing, the commission is divided between the listing and selling brokers.

Net listing agreements are **not** permitted in Maryland (Md. Code Ann., Bus. Occ. & Prof. § 17-322(b)(11)). In a net listing agreement, the broker lists the property for sale at a specified net amount to be paid to the seller, and the broker retains the difference between the price at which the property is sold and the specified net amount to be received by the seller as a commission. Maryland prohibits these types of listing agreements to prevent unfair dealing on the part of the broker.

9. Is there a customary tail period for exclusive brokerage agreements?

The practice regarding tail periods for exclusive brokerage agreements varies throughout Maryland. In general, exclusive broker agreements typically include a three to six-month tail period, which starts after the expiration of the brokerage agreement. The tail period, as with all the terms of the brokerage agreement, is negotiable depending on the following:

- The specifics of each transaction.
- Each party's leverage.
- Market conditions.

Commission Payments

10. With regard to commission in your jurisdiction:

- Does a broker need a written brokerage agreement to claim its commission?
- When is a broker entitled to its commission?
- May a commission be earned if the closing does not occur?
- Are there any statutory restrictions on commission rates?
- If the parties are permitted to negotiate a commission, what is the customary range for commission rates?

Written Brokerage Agreement

In Maryland, a written agreement is not required to enforce a commission payment owed, though the court analyzes the facts on a case-by-case basis (Md. Code Ann., Real Prop. § 14-105; *Carpenter v. Davies*, 345 A.2d 58, 60 (Md. 1975)).

While not required, it is customary practice for parties to enter into written brokerage agreements with their respective brokers as soon as possible to avoid any unwarranted claims for commission payments. Before entering into a contract of sale, a seller's attorney should verify that a brokerage agreement has been signed by their client.

Timing of Commission Payment

A closing does not need to occur for a commission to be earned. Maryland has adopted the rule followed by the most states that, absent an agreement to the contrary, a broker is entitled to a commission payment when that broker procures a purchaser or tenant that is ready, willing, and able to proceed with the transaction. While a closing does not need to occur for a commission to be earned, absent agreement to the contrary, a purchase or leasing agreement must be fully executed. (Md. Code Ann., Real Prop. § 14-105; *Nily Realty, Inc. v. Wood*, 325 A.2d 730, 733 (Md. 1974).)

Though a written agreement is not required, most parties enter into a commission agreement before the work begins. Whether and when a commission is owed is contingent on the specific details of each transaction and the express language drafted in the commission agreement.

In a commercial leasing context, the broker and the landlord often agree to a payment of the commission after certain conditions are satisfied. Though the specifics of each transaction govern the agreement between the parties, conditions to paying the broker's commission may include the following:

- The signing and delivery of the lease by the landlord and the tenant.
- The completion of any tenant improvements.
- The commencement of the tenant's rental payments. The tenant's rental payments may not start for some time after the signing of the lease agreement.

Typically, half of the commission is due on signing and the other half gets paid on the payment of the first month's rent.

Commission Payment Without Closing

A broker can earn a commission without a closing (see Timing of Commission Payment). Absent an agreement to the contrary, a broker may be entitled to a commission when it finds a purchaser that is ready, willing, and able to buy the property on the terms set by the seller.

It is customary for the seller to enter into a written brokerage agreement as early as possible. The agreement typically expressly states that the broker's commission payment is contingent on the closing of the transaction.

Statutory Restrictions

Commission rates are not prescribed by law in Maryland. They are negotiated between the parties.

Range of Negotiated Rates

The rates vary based on market factors and case-by-case conditions, especially for commercial properties. The customary rate for a sale of residential property may range from three to six percent of the purchase price, though this may be negotiated.

11. Is it customary for the seller or the landlord to pay the commission? If so, how is payment to the purchaser's or tenant's broker usually ensured?

In Maryland, the seller or the landlord generally pays the commission and their broker pays the purchaser's or tenant's broker its portion of the commission. However, this may vary in different types of transactions. For example:

- The seller commonly pays the commission in the sale of commercial real estate, though this may be negotiated. The payment may be shared between the purchaser and the seller, or even paid entirely by the purchaser. The commission is usually paid at the closing. The seller's broker usually enters into a co-broker agreement with the purchaser's broker. The seller's broker provides the purchaser's broker with its commission payment, or both commissions are set out on the closing settlement statement.
- The landlord typically pays the commission in a commercial lease, though this may be negotiated so that the payment is shared between the tenant and the landlord. The commission is usually paid half at the lease execution and half at the start of rent but could be paid over a period of time outlined in a schedule attached to the commission agreement. If there is a

free rent period, the commission may not be paid until the tenant's rent payments begin. The landlord's broker usually enters into a co-broker agreement with the tenant's broker and then the landlord pays the agreed upon commission to the respective brokers.

- The seller typically pays the commission in the sale of residential real estate. It is uncommon for the parties to negotiate that the purchaser pays the broker's commission, but there could be a separate buyer's broker agreement. The seller's broker pays the buyer's broker its portion of the commission payment at the closing, or both commissions are set out on the closing settlement statement.
- The tenant typically pays the leasing commission in a residential lease.

12. Is fee splitting permitted or customary in your state? If so, are there any restrictions?

Fee splitting is permitted. However, Maryland law prohibits fee splitting by a licensed real estate broker, associate broker, or salesperson with a person not licensed under Maryland law (Md. Code Ann., Bus. Occ. & Prof. § 17-604(a)). Real estate brokers, associate brokers, and salespersons are not prohibited from splitting fees with either:

- An individual licensed in another state, as long as that state permits fee splitting on fees earned in that state with individuals licensed in Maryland.
- Professional service corporations, limited liability companies, or other business entities formed under Md. Code Ann., Bus. Occ. & Prof. § 17-512.

(Md. Code Ann., Bus. Occ. & Prof. § 17-604(b).)

13. When real property is sold, is the grantor deemed released from any deferred commission payment obligations that are scheduled to come due after the transfer of fee title to the grantee or must there be an express release? Are deferred commission payments automatically assumed by the grantee or must the assumption be express?

Grantor Release from Deferred Commission

In Maryland, a grantor is generally not deemed released from its obligation to pay any deferred commission payments unless there is express language in the purchase

agreement that provides otherwise. The specific details of each case are relevant in determining whether there is any ongoing liability for the grantor.

Grantee's Assumption of Deferred Commission

The purchaser is not deemed to have assumed the obligation to pay the deferred commission payments unless there is express language in the purchase agreement that provides otherwise. The specific details of each case are relevant in determining whether the grantee assumed the obligation.

Costs

14. With regard to the marketing and advertising costs associated with the listing:

- Does a broker typically pass on these costs to the seller or the landlord?
- Are provisions dealing with these costs usually found in exclusive or non-exclusive agreements, or both?

Reimbursement of Costs

In Maryland, the broker typically absorbs the costs associated with marketing and advertising the listing in exclusive broker agreements, but these costs are generally passed on to the seller or landlord in non-exclusive agreements.

Cost Provisions

Provisions dealing with marketing and advertising costs are more likely to be found in non-exclusive brokerage agreements. However, these provisions are usually negotiable.

Disclosure Laws

15. Describe any disclosure laws affecting real estate brokers or salespersons. Is a broker required to disclose its dual agency?

General Disclosure Laws

In Maryland, the broker is under a duty to disclose all material facts that the broker knows or should know

relating to the property at issue (Md. Code Ann., Bus. Occ. & Prof. § 17-322(b)(4)). Certain facts are not considered material regarding properties offered for sale, including that:

- An owner or occupier is, was, or is suspected to be:
 - infected with human immunodeficiency virus; or
 - diagnosed with acquired immunodeficiency syndrome.
- A homicide, suicide, accidental death, natural death, or felony occurred on the property.

(Md. Code Ann., Bus. Occ. & Prof. § 17-322.1(a).)

In Maryland, a [property disclosure and disclaimer statement](#) form created by the [Maryland Real Estate Commission](#) must be used in all residential transactions (COMAR 09.11.07.01). A broker acting as a seller's agent must obtain the form when they obtain the property listing and provide the form to the prospective purchaser or buyer's agent promptly, either:

- On notification that an offer is going to be made.
- When a written offer is received if the broker does not have advance notice.

(COMAR 09.11.07.02.)

If the seller is going to disclaim, they must still disclose any latent defects of which they have actual knowledge. Latent defects are defined as material defects that a purchaser would not reasonably be expected to ascertain or observe by careful visual inspection and that would pose a direct threat to the health and safety of the purchaser or an occupant. If the seller is going to disclose defects, they must list all defects, including latent defects, of which they have actual knowledge relating to certain aspects of the property. (Md. Code Ann., Real Prop. § 10-702.)

Dual Agency Disclosure

In Maryland, a broker may represent both the buyer and the seller, or the lessor and the lessee, in a particular transaction if prior express disclosure and consent has been obtained. The written consent must include the disclosures specified in Md. Code Ann., Bus. Occ. Prof § 17-530.1(c). (Md. Code Ann., Bus. Occ. & Prof. § 17-530.1(b), (c).)

Additionally, a broker acting as a dual agent must:

- Appoint a licensed real estate broker or salesperson affiliated with the broker to act as an intra-company agent for the buyer or lessee, and another broker or salesperson to act as an intra-company agent for the seller or lessor. The broker cannot act as one of the intra-company agents.

- 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.
- Disclose to each party to the transaction any financial bonuses offered to licensees affiliated with the broker for the sale or lease of property listed with the broker.

(Md. Code Ann., Bus. Occ. & Prof. § 17-530.1(b), (c).)

The intra-company agents must provide the same services to the client as they would if they were acting in a transaction that does not involve a dual agency, such as providing advice about price and negotiation strategy (Md. Code Ann., Bus. Occ. & Prof. § 17-530.1(b)(1)(v)).

Broker's Liens

16. Can a broker file a lien against real property if it has a claim for its commission? Is a broker's lien an inchoate lien?

Filing a Lien

In Maryland, a broker's lien can only be created on commercial real property. If a broker is not paid a commission under a commercial brokerage agreement, the broker is entitled to a lien in the amount of the unpaid commission. A real estate broker may file a petition to establish a broker's lien with the circuit court where the real property is located within 180 days after the unpaid commission became due and payable. The petition must contain:

- The name and address of the petitioner.
- The name and address of the owner.
- A copy of the brokerage agreement.
- A description of the lien property, including a statement whether part of the lien property is located in another county, either by:

- a reasonably specific geographic location;
 - a street address; or
 - a legal description from the deed as recorded among land records.
- The amount of the commission and the unpaid portion of the commission.

The broker must also file an affidavit stating the facts and attach all material papers which constitute the basis of the broker's claim. (Md. Code Ann., Real Prop. § 14-304.)

Brokers' Liens as Inchoate Liens

The broker's lien is treated the same as a mechanic's lien. However, because a broker's lien is not an inchoate lien it is not treated as a super lien and the priority of a broker's lien would not supersede any previously recorded interest. (Md. Code Ann., Real Prop. §§ 14-302 and 14-313.)

17. How can a real property owner remove a broker's lien?

In Maryland, a broker's lien can be removed by either:

- Settling the dispute between the owner and broker.
- Obtaining a surety bond in the amount of the lien.
- Paying the lien in full.

Once the lien is paid in full, bonded off, or settled, the broker must give the owner a signed release of broker's lien (Md. Code Ann., Real Prop. § 14-312).

Managing Real Estate

18. Is a broker's license required to manage real estate and collect rents on behalf of a landlord? If so, what are the statutes regulating the licensing requirements?

In Maryland, property managers are not currently required to obtain a broker's license when managing real property or collecting rents on behalf of a landlord. [Maryland House Bill 929](#) was introduced in 2020 and would have required a property manager to register with the [Maryland Real Estate Commission](#), however it did not make it out of committee. Similar legislation was introduced in 2017 but did not make it out of committee.

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