

# HB225 INTRODUCED



1 HB225  
2 AVERSSS-1  
3 By Representatives Hollis, Wood (D)  
4 RFD: Boards, Agencies and Commissions  
5 First Read: 06-Feb-25



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SYNOPSIS:

Under existing law, the Alabama Real Estate Commission regulates, licenses, and approves instructors, administrators, and schools offering approved real estate courses to licensees and individuals applying for a license.

This bill would differentiate between a prelicense school and a continuing education school and provide specific requirements for each.

This bill would establish requirements for the approval of a prelicense instructor.

This bill would authorize the license or approval of an instructor, administrator, or school to be placed on an inactive status and provide related requirements and procedures.

This bill would provide conditions under which licenses and certain approvals expire and lapse.

This bill would authorize the commission to approve synchronous distance education, subject to certain considerations.

This bill would further provide for the requirements to be issued a salesperson or broker license.

This bill would further provide requirements for qualifying broker, temporary qualifying broker,



## HB225 INTRODUCED

29 salesperson, and temporary salesperson licensees.

30 This bill would revise deadlines and fees for  
31 the renewal of broker and salesperson licenses.

32 This bill would revise the causes of action for  
33 which the commission may initiate a disciplinary  
34 action.

35 This bill would also make nonsubstantive,  
36 technical revisions to update the existing code  
37 language to current style.

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A BILL

42

TO BE ENTITLED

43

AN ACT

44

45 Relating to the Alabama Real Estate Commission; to  
46 amend Sections 34-27-6, 34-27-32, 34-27-33, 34-27-34,  
47 34-27-35, and 34-27-36, Code of Alabama 1975, to provide for  
48 prelicense and continuing education schools; to establish and  
49 provide requirements for prelicense instructors; to establish  
50 and further provide for certain provisions regulating  
51 instructor, administrator, and school licenses and approvals,  
52 including being placed on inactive status and when lapsing and  
53 expiration occurs; to authorize the commission to approve  
54 certain synchronous distance education; to further provide  
55 requirements to be issued salesperson or broker licenses; to  
56 further provide requirements for qualifying broker and



## HB225 INTRODUCED

57 salesperson licensees; to revise certain fees and deadlines  
58 relating to broker and salesperson licenses; to revise the  
59 commission's authority to initiate disciplinary actions; and  
60 to make nonsubstantive, technical revisions to update the  
61 existing code language to current style.

62 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

63 Section 1. Sections 34-27-6, 34-27-32, 34-27-33,  
64 34-27-34, 34-27-35, and 34-27-36 Code of Alabama 1975, are  
65 amended to read as follows:

66 "§34-27-6

67 (a) For purposes of this section and rules adopted  
68 pursuant thereto, the following terms ~~shall~~ have the following  
69 meanings:

70 (1) ACCREDITED SCHOOL. Any nonprofit college or  
71 university that meets the standards of an accrediting agency  
72 recognized by the United States Department of Education and  
73 offers any commission approved course.

74 ~~(1)~~ (2) ADMINISTRATOR. An individual designated  
75 by a ~~principal~~ school ~~or branch school~~ and approved by the  
76 commission to be the ~~person~~ individual responsible to the  
77 commission for all acts governed by this chapter and  
78 applicable rules ~~which~~ that govern the operation of schools.

79 ~~(2)~~ (3) APPROVED COURSE. Any course of instruction  
80 approved by the commission that satisfies commission  
81 requirements for prelicense education, ~~postlicense education,~~  
82 or continuing education.

83 ~~(3) APPROVED SCHOOL. Any proprietary educational~~  
84 ~~institution offering only commission approved continuing~~



## HB225 INTRODUCED

85 ~~education courses and any accredited college or university~~  
86 ~~that offers any commission approved course.~~

87 (4) BRANCH SCHOOL. Any school under the ownership of a  
88 principal school ~~which~~ that offers commission approved courses  
89 at a permanent location.

90 (5) CONTINUING EDUCATION. Any professional course  
91 approved by the commission that is not less than one hour and  
92 is required to renew or activate a license.

93 (6) CONTINUING EDUCATION SCHOOL. Any private  
94 educational institution or organization that offers only  
95 commission approved continuing education courses.

96 ~~(5) INSTRUCTIONAL SITE. Any physical place where~~  
97 ~~commission approved instruction is conducted apart from the~~  
98 ~~principal school or branch school.~~

99 (7) DISTANCE EDUCATION. Education occurring that is  
100 provided through media where the teacher and student are not  
101 in the same classroom but rather are separated by distance or  
102 time.

103 ~~(6)~~ (8) INSTRUCTOR. An individual approved by  
104 the commission to teach approved courses in ~~the~~ a classroom or  
105 by distance education.

106 (9) PRELICENSE INSTRUCTOR. An instructor of commission  
107 approved prelicense courses offered at a prelicense school to  
108 individuals preparing to apply for a salesperson or broker  
109 license and continuing education courses to existing  
110 licensees.

111 ~~(7) LICENSED~~ (10) PRELICENSE SCHOOL. Any ~~proprietary~~  
112 school that is licensed by the commission and bonded pursuant



## HB225 INTRODUCED

113 to this section, including any for profit college, that offers  
114 commission approved prelicense courses or ~~postlicense courses,~~  
115 ~~or both, only after being licensed and bonded by the~~  
116 commission continuing education courses.

117 ~~(8)~~ (11) PRINCIPAL SCHOOL. Any institution or  
118 organization ~~which that~~ is ~~the a~~ primary school ~~and not a~~  
119 ~~branch school that is approved~~ and is licensed by the  
120 commission. The term does not include a branch school.

121 ~~(9)~~ PROPRIETARY SCHOOL. Any school that is not an  
122 accredited college or university and which offers commission  
123 approved prelicense courses or postlicense courses, or both,  
124 only after being licensed and bonded by the commission. Each  
125 branch school shall be licensed separately.

126 (b) The commission shall ~~approve and regulate schools~~  
127 ~~that offer commission approved prelicense, postlicense, and~~  
128 ~~continuing education courses. The commission shall be the~~  
129 ~~board, commission, or agency with~~ have the ~~sole and~~ exclusive  
130 authority to license ~~proprietary~~ and regulate prelicense  
131 ~~schools and their branches~~ for the ~~limited~~ purpose of ensuring  
132 their ~~offerings~~ offering of commission approved prelicense  
133 courses ~~or postlicense courses, or both~~ and continuing  
134 education courses, and to approve continuing education schools  
135 for the purpose of ensuring their offering of commission  
136 approved continuing education courses.

137 (c) (1) The commission shall require ~~proprietary schools~~  
138 a prelicense school that is a principal school to ~~furnish~~  
139 obtain a surety bond issued by a surety company authorized to  
140 do business in this state that is payable to the commission in



## HB225 INTRODUCED

141 ~~the amount of~~ an amount not exceeding twenty thousand dollars  
142 (\$20,000) ~~with a surety company authorized to do business in~~  
143 ~~Alabama, which bond shall provide.~~ The bond shall provide that  
144 the obligor ~~therein~~ shall pay ~~up to~~ an amount not exceeding  
145 twenty thousand dollars (\$20,000) in the aggregate sum of all  
146 judgments ~~which shall be~~ recovered against the school for  
147 damages arising from the school's collection of tuition, ~~or~~  
148 fees, or both, from students, ~~but failing to provide the~~  
149 complete instruction for which ~~such~~ the tuition or fees were  
150 collected. The bond shall cover any branch schools named in  
151 the bond or any endorsement or amendment of or to the bond.

152 (2) The bond shall remain in effect as long as the  
153 school is licensed. In the event the bond is revoked or  
154 ~~cancelled~~ canceled by the surety company, the school shall  
155 have 10 days after cancellation or revocation to obtain a new  
156 bond and file ~~it~~ the bond with the commission. Failure to  
157 maintain a bond shall result in the immediate suspension of  
158 the licenses of the school and all of its ~~branches~~ branch  
159 schools. ~~The bond shall be provided by the school and shall~~  
160 ~~also cover any branch schools named in the bond or any~~  
161 ~~endorsement or amendment thereto.~~

162 (d) (1) The commission shall charge a license fee for  
163 each ~~licensed~~ prelicense principal school and ~~shall charge a~~  
164 ~~fee for~~ each prelicense branch school in the amount of two  
165 hundred fifty dollars (\$250) per year for each year or portion  
166 of a year remaining in the respective license period. The  
167 renewal fee for each ~~school license~~ prelicense principal  
168 school and prelicense branch school shall be one hundred



## HB225 INTRODUCED

169 twenty-five dollars (\$125) for each year of the license  
170 period.

171 (2) The commission shall charge an approval fee for  
172 each continuing education school in the amount of one hundred  
173 dollars (\$100) per year for each year or portion of a year  
174 remaining in the respective approval period. The renewal fee  
175 for each continuing education school shall be fifty dollars  
176 (\$50) for each year of the approval period.

177 (e) The commission shall require all schools to name  
178 and have approved by the commission ~~a school~~ an administrator  
179 who shall be responsible to the commission for all actions of  
180 his or her respective school.

181 (f) ~~Principal schools~~ The signage for each principal  
182 school and branch school shall ~~be~~ clearly ~~identified by~~  
183 ~~signage~~ indicate the name of the school in a manner ~~as~~  
184 appropriate for ~~the~~ its location. The signage ~~shall set out~~  
185 ~~the name of the principal school. Branch schools shall be~~  
186 ~~clearly identified by signage as appropriate for the location.~~  
187 ~~The signage shall set out~~ for each branch school shall also  
188 indicate ~~the name of the branch school and~~ the name of the  
189 principal school under which it operates.

190 (g) The commission ~~shall have the authority to~~ may  
191 reprimand, fine, suspend for a period up to two years, or  
192 revoke the license or approval of any ~~school, administrator,~~  
193 ~~or~~ instructor, administrator, or school for any violation of  
194 this section or any rule of the commission. The fine shall be  
195 not less than one hundred dollars (\$100) nor ~~more~~ greater than  
196 ~~two thousand five hundred dollars (\$2,500)~~ five thousand





## HB225 INTRODUCED

197 dollars (\$5,000) per ~~count~~ violation.

198 (h) The commission shall approve, sponsor, contract for  
199 or conduct, or assist in sponsoring or conducting real estate  
200 courses for licensees, and may charge fees, and may incur and  
201 pay the necessary related expenses ~~in connection therewith~~.

202 (i) (1) The commission shall approve and regulate  
203 instructors who teach the ~~commission approved~~ prelicense,  
204 ~~postlicense~~, and continuing education courses. The commission  
205 shall establish and collect fees as determined necessary, in  
206 an amount not ~~to exceed~~ greater than fifty dollars (\$50) per  
207 instructor annually, ~~to approved instructors who teach~~  
208 ~~commission approved courses~~.

209 (2) The commission shall establish a continuing  
210 education requirement for all active prelicense instructors. A  
211 prelicense instructor shall provide to the commission proof of  
212 completion of all required continuing education on or before  
213 September 30 of the final year of each approval period. Any  
214 continuing education completed in excess of that required for  
215 a renewal period shall not apply to any subsequent renewal  
216 period.

217 (j) (1) An instructor, administrator, or school may  
218 request that the commission issue or change its approval or  
219 license to inactive. An instructor, administrator, or school  
220 whose approval or license is inactive is prohibited from  
221 engaging in any of the following:

222 a. Teaching commission approved courses.

223 b. Offering commission approved courses.

224 c. Performing any duties of an administrator, including



## HB225 INTRODUCED

225 registering students, advertising a school, reporting course  
226 schedules to the commission, or entering student credit for  
227 completed courses.

228 (2)a. Notwithstanding paragraph b., an instructor,  
229 administrator, or school whose approval or license is inactive  
230 shall renew the inactive approval or license in the same  
231 manner as an active approval or license.

232 b. No continuing education shall be required for a  
233 prelicense instructor to renew his or her inactive approval.

234 (3)a. A prelicense instructor whose approval is  
235 inactive for three years or less and who renews his or her  
236 inactive approval as required by this subsection, may activate  
237 his or her approval for the first time in an approval period  
238 by completing all continuing education required for prelicense  
239 instructors that remains incomplete from the current and any  
240 previous approval period.

241 b. A prelicense instructor whose approval is inactive  
242 for more than three years may activate his or her approval by  
243 completing all training required by the commission and any  
244 continuing education required during the current approval  
245 period.

246 (4) An instructor, administrator, or school whose  
247 approval or license is inactive shall pay a fee to the  
248 commission not exceeding fifty dollars (\$50) per approval or  
249 license to activate its license or approval.

250 (5) A prelicense instructor whose approval is active,  
251 but whose broker license is inactive, shall satisfy the  
252 continuing education requirements for a prelicense instructor



## HB225 INTRODUCED

253 whose approval is active and a broker whose license is active.

254 (k) (1) The approval or license of an instructor,  
255 administrator, or school shall expire at midnight on September  
256 30 of the final year of each approval or licensing period.

257 (2) Any instructor, administrator, or school that fails  
258 to renew its active approval or license by September 30 of the  
259 final year of the licensing or approval period shall incur a  
260 late fee in the amount of two hundred dollars (\$200) per  
261 approval or license.

262 (3) An instructor, administrator, or school may renew  
263 an expired approval or license during the 12-month period  
264 following the September 30 renewal deadline, provided that the  
265 instructor, administrator, or school may not engage in any  
266 activity for which a license or approval is required.

267 (4) After the last day of the twelfth month following  
268 the September 30 renewal deadline, an expired approval or  
269 license shall lapse and completion of all requirements of an  
270 initial license or approval shall be required for renewal.

271 (5) Notwithstanding subdivision (4), the commission may  
272 renew a license or approval that has lapsed upon a  
273 determination of hardship, provided that all required fees are  
274 paid.

275 ~~(j) The~~ (1) (1) Except as provided in subdivision (2),  
276 the commission shall approve courses and establish and collect  
277 fees ~~as determined~~ deemed necessary, in an amount not to  
278 exceed one hundred dollars (\$100) per application, to review  
279 each course.

280 (2) The commission may certify synchronous distance



## HB225 INTRODUCED

281 education courses and establish and collect fees deemed  
282 necessary in an amount not to exceed four hundred dollars  
283 (\$400) per application, to certify each course. The commission  
284 shall examine all of the following when considering certifying  
285 a synchronous distance education course:

- 286 a. The course or program mission statement.
- 287 b. Course design.
- 288 c. Interactivity.
- 289 d. Delivery.
- 290 e. Equipment.
- 291 f. The learning environment.
- 292 g. Student support services.
- 293 h. Educational effectiveness and assessment of student  
294 learning outcomes.
- 295 i. Commitment to ongoing support of the course.

296 ~~(k)~~ (m) The commission shall establish one-year or  
297 multi-year approval or license periods for ~~schools,~~  
298 instructors, administrators, schools, and courses. Approval  
299 and license periods shall run from October 1 of the first year  
300 of the approval or license period through September 30 of the  
301 final year of the approval or license period.

302 ~~(l)~~ (n) The commission shall ~~promulgate~~ adopt rules ~~and~~  
303 ~~regulations~~ as necessary to accomplish the purpose of this  
304 section in accordance with the Administrative Procedure Act."

305 "§34-27-32

306 (a) A license for a broker or a salesperson shall be  
307 registered to a specific real estate office and shall be  
308 issued only to, and held only by, ~~a person~~ an individual who



## HB225 INTRODUCED

309 meets all of the following requirements:

310 (1) Is trustworthy and competent to transact the  
311 business of a broker or salesperson in a manner that  
312 safeguards the interest of the public.

313 (2) Is ~~a person~~ an individual whose application for a  
314 real estate ~~licensure~~ license has not been rejected in any  
315 state on any grounds other than failure to pass a written  
316 examination within the two years prior to the application for  
317 a real estate ~~licensure with~~ license in Alabama. If the  
318 applicant's rejection for a real estate ~~licensure~~ license in  
319 any state is more than two years from the date of application  
320 for ~~licensure with~~ a license in Alabama, then the applicant  
321 may not be issued an Alabama real estate license without the  
322 approval of the commissioners.

323 (3) Is ~~a person~~ an individual whose real estate license  
324 has not been revoked in any state within the two years prior  
325 to application for a real estate ~~licensure with~~ license in  
326 Alabama. If the applicant's real estate ~~licensure~~ license  
327 revocation in any state, including Alabama, is more than two  
328 years from the date of application for ~~licensure with~~ a  
329 license in Alabama then the applicant may not be issued an  
330 Alabama real estate license without the approval of the  
331 commissioners.

332 (4) Is at least 19 years ~~old~~ of age.

333 (5) Is a citizen of the United States or, if not a  
334 citizen of the United States, ~~a person~~ an individual who is  
335 legally present in the United States with appropriate  
336 documentation from the federal government, or is an alien with



## HB225 INTRODUCED

337 permanent resident status.

338 (6) Is ~~a person~~ an individual who, if a nonresident,  
339 agrees to sign an affidavit stating the following and in the  
340 following form:

341 "I, as a nonresident applicant for a real estate  
342 license and as a licensee, agree that the Alabama Real Estate  
343 Commission shall have jurisdiction over me in any and all of  
344 my real estate related activities the same as if I were an  
345 Alabama resident licensee. I agree to be subject to  
346 investigations and disciplinary actions the same as Alabama  
347 resident licensees. Further, I agree that civil actions may be  
348 commenced against me in any court of competent jurisdiction in  
349 any county of the State of Alabama.

350 "I hereby appoint the Executive Director or the  
351 Assistant Executive Director of the Alabama Real Estate  
352 Commission as my agent upon whom all disciplinary, judicial,  
353 or other process or legal notices may be served. I agree that  
354 any service upon my agent shall be the same as service upon me  
355 and that certified copies of this appointment shall be deemed  
356 sufficient evidence and shall be admitted into evidence with  
357 the same force and effect as the original might be admitted. I  
358 agree that any lawful process against me which is served upon  
359 my agent shall be of the same legal force and validity as if  
360 personally served upon me and that this appointment shall  
361 continue in effect for as long as I have any liability  
362 remaining in the State of Alabama. I understand that my agent  
363 shall, within a reasonable time after service upon him or her,  
364 mail a copy of the service by certified mail, return receipt



## HB225 INTRODUCED

365 requested, to me at my last known business address.

366 "I agree that I am bound by all the provisions of the  
367 Alabama Real Estate License Law the same as if I were a  
368 resident of the State of Alabama.

369 \_\_\_\_\_ Legal Signature of Applicant"

370 (b) The commission may reject the application of any  
371 ~~person~~ individual who has been convicted of or pleaded guilty  
372 or nolo contendere to a felony or a crime involving moral  
373 turpitude.

374 ~~(b)~~ (c) (1) a. ~~A person~~ An individual who holds a current  
375 real estate salesperson license in another state, including  
376 ~~persons~~ individuals who move to and become residents of  
377 Alabama, shall apply for a reciprocal salesperson license ~~on a~~  
378 ~~form prescribed by the commission.~~ ~~A person~~ An individual who  
379 holds a current broker license in another state, including  
380 ~~persons~~ individuals who move to and become residents of  
381 Alabama, shall apply for a reciprocal broker license on a form  
382 prescribed by the commission.

383 b. The applicant shall submit proof that he or she has  
384 a current real estate license in another state as evidenced by  
385 a certificate of licensure, together with any other  
386 information required by the commission. The applicant shall  
387 also show proof that he or she has completed at least six  
388 hours of course work in Alabama real estate which is approved  
389 by the commission. Applicants for a reciprocal license shall  
390 not be subject to the complete examination or temporary  
391 license requirements of Section 34-27-33, but shall pass a  
392 reasonable written examination prepared by the commission on



## HB225 INTRODUCED

393 the subject of Alabama real estate. ~~A person~~ An individual who  
394 holds a reciprocal license shall show proof of completion of  
395 continuing education either by meeting the requirements of  
396 Section 34-27-35 or by showing proof that his or her other  
397 state license remains active in that state.

398 c. The fees for issuance and renewal of a reciprocal  
399 license shall be the same as those for original licenses  
400 pursuant to Section 34-27-35. The recovery fund fee for  
401 issuance of a reciprocal license shall be the same as for an  
402 original license pursuant to Section 34-27-31.

403 (2) ~~A person~~ An individual who holds a current Alabama  
404 license who moves to and becomes a resident of the state shall  
405 within 10 days submit to the commission notice of change of  
406 address and all other license status changes.

407 ~~(c) (d) A person~~ An individual who does not hold a  
408 current real estate broker license in another state desiring  
409 to be a real estate broker in this state shall apply for a  
410 ~~broker's~~ broker license ~~on a form prescribed by the commission~~  
411 ~~which shall specify the real estate office to which he or she~~  
412 ~~is registered~~. Along with the application, he or she shall  
413 submit all of the following:

414 (1) Proof that he or she has had an active real estate  
415 ~~salesperson's~~ salesperson license in any state for at least 24  
416 months of the 36-month period immediately preceding the date  
417 of application.

418 (2) Proof that he or she is a high school graduate or  
419 the equivalent.

420 (3) Proof that he or she has ~~completed a course in real~~





## HB225 INTRODUCED

421 ~~estate approved by the commission, which shall be a minimum of~~  
422 ~~60 clock hours.~~ satisfied all of the following:

423 a. Successfully completed a course in broker basics  
424 approved by the commission.

425 b. Passed a license examination within 180 days after  
426 completion of a broker basics course.

427 c. Within 90 days after passing a license examination,  
428 successfully completed a course in professional development  
429 approved by the commission.

430 (4) Any other information requested by the commission.

431 ~~(d) (e) A person~~ An individual who does not hold a  
432 current real estate salesperson license in another state  
433 desiring to be a real estate salesperson in this state shall  
434 apply for a ~~salesperson's~~ salesperson license with the  
435 commission ~~on a form prescribed by the commission which shall~~  
436 ~~specify the real estate office to which he or she is~~  
437 ~~registered.~~ Along with the application he or she shall ~~furnish~~  
438 provide all of the following:

439 (1) Proof that he or she is a high school graduate or  
440 the equivalent.

441 (2) Proof that he or she has ~~successfully completed a~~  
442 ~~course in real estate approved by the commission, which shall~~  
443 ~~be a minimum of 60 clock hours.~~ satisfied all of the  
444 following:

445 a. Successfully completed a salesperson basics course  
446 approved by the commission.

447 b. Passed a license examination within 180 days after  
448 successfully completing a salesperson basics course.



## HB225 INTRODUCED

449 c. Within 90 days after passing a license examination,  
450 successfully completed a course approved by the commission in  
451 salesperson professional development.

452 (3) The name of the applicant's qualifying broker,  
453 along with the information required pursuant to Section  
454 34-27-33(b).

455 ~~(3)~~ (4) Any other information required by the  
456 commission.

457 ~~(e)~~ (f) An application for a company license or branch  
458 office license shall be made by a qualifying broker on a form  
459 prescribed by the commission. The qualifying broker shall be  
460 an officer, partner, or employee of the company.

461 ~~(f)~~ (g) An applicant for a company or broker license  
462 shall maintain a place of business.

463 ~~(g)~~ (h) If the applicant for a company or broker license  
464 maintains more than one place of business in the state, he or  
465 she shall have a company or branch office license for each  
466 separate location or branch office. Every application shall  
467 state the location of the company or branch office and the  
468 name of its qualifying broker. Each company or branch office  
469 shall be under the direction and supervision of a qualifying  
470 broker licensed at that address. No person may serve as  
471 qualifying broker at more than one location. The qualifying  
472 broker for the branch office and the qualifying broker for the  
473 company shall share equal responsibility for the real estate  
474 activities of all licensees assigned to the branch office or  
475 company.

476 ~~(h)~~ (i) No ~~person shall~~ individual may be a qualifying



## HB225 INTRODUCED

477 broker for more than one company or for a company and on his  
478 or her own behalf unless he or she meets all of the following  
479 requirements:

480 (1) All companies for which he or she is and proposes  
481 to be the qualifying broker consent in writing.

482 (2) He or she files a copy of the written consent with  
483 the commission.

484 (3) ~~He or she will be doing business from the same~~  
485 ~~location~~ All companies for which he or she is and proposes to  
486 be the qualifying broker share the same company address.

487 ~~(j) A person~~ An individual licensed under a qualifying  
488 broker may be engaged by one or more companies with the same  
489 qualifying broker.

490 (k) An individual may utilize any office of a company  
491 under which he or she is licensed.

492 ~~(i)~~ (l) A company license shall become invalid on the  
493 death or disability of a qualifying broker. Within 30 days  
494 after the death or disability, the corporation, or the  
495 remaining partners or the successor partnership, if any, may  
496 designate another of its officers, members, or salespersons to  
497 apply for a license as temporary qualifying broker. The person  
498 designated as temporary qualifying broker shall either be a  
499 broker or have been a salesperson for at least one year prior  
500 to filing the application. If the application is granted, the  
501 company may operate under that temporary qualifying broker for  
502 no more than six months after the ~~death or disability of its~~  
503 ~~former qualifying broker~~ commission issues the temporary  
504 qualifying broker license. Unless the company designates a



## HB225 INTRODUCED

505 fully licensed broker as the qualifying broker within the ~~six~~  
506 ~~months~~ six-month period, the company license and all licenses  
507 under the company shall be classified inactive by the  
508 commission after two weeks prior electronic notice.

509 ~~(j)~~ (m) The commission shall require both state and  
510 national criminal history background checks to issue a  
511 license. Applicants shall submit required information and  
512 fingerprints to the commission, Federal Bureau of  
513 Investigation, Alabama State Law Enforcement Agency, or its  
514 successor, or to a fingerprint processing service that may be  
515 selected by the commission for this purpose. Criminal history  
516 record information shall be provided to the commission from  
517 both the State of Alabama and the Federal Bureau of  
518 Investigation. The commission can use the provided criminal  
519 history for the determination of the qualifications and  
520 fitness of the applicant to hold a real estate license. The  
521 applicant shall assume the cost of the criminal history check.  
522 The criminal history ~~must~~ shall be current to the issuance of  
523 the license.

524 ~~(k)~~ (n) The commission may charge a fee of ten dollars  
525 (\$10) for furnishing any person a copy of a license,  
526 certificate, or other official record of the ~~commissioner~~  
527 commission."

528 "§34-27-33

529 (a) (1) In addition to ~~other requirements of this~~  
530 ~~chapter~~ the requirements established in Section 34-27-32,  
531 every applicant for a ~~broker's~~ broker or ~~salesperson's~~  
532 salesperson license shall submit to a reasonable written



## HB225 INTRODUCED

533 examination. The commission shall conduct examinations at  
534 places and times it prescribes. The commission may contract  
535 with an independent testing agency to prepare, grade, or  
536 conduct the examination.

537 (2) ~~Effective October 1, 2001, and thereafter, the~~ The  
538 fee for each examination and the provisions for payment and  
539 forfeiture shall be as specified in the contract with the  
540 independent testing agency.

541 (b) (1) In addition to the requirements of Section  
542 34-27-32(e), ~~Within~~ within 90 days after passing the  
543 salesperson examination, the applicant shall secure a  
544 qualifying broker ~~and meet all requirements of this chapter~~  
545 ~~and the board.~~ Upon notification that the applicant has  
546 secured a qualifying broker, the commission shall issue ~~an~~  
547 ~~active~~ a temporary license or classify the license as  
548 inactive.

549 (2) In order to obtain ~~an active~~ a temporary license,  
550 the applicant's qualifying broker shall acknowledge ~~sign and~~  
551 ~~submit~~ to the commission ~~a sworn statement~~ that the applicant  
552 is in his or her opinion honest, trustworthy, and of good  
553 reputation, and that the broker accepts responsibility for the  
554 actions of the salesperson as set out in Section 34-27-31. The  
555 applicant's qualifying broker shall ~~be licensed in~~ hold an  
556 active Alabama license.

557 (c) (1) On passing the salesperson examination and  
558 complying with all other conditions for ~~licensure~~ licensing, a  
559 temporary salesperson license ~~certificate~~ shall be issued to  
560 the applicant. The applicant is not licensed until he or she



## HB225 INTRODUCED

561 or his or her qualifying broker actually receives the  
562 temporary license ~~certificate. A temporary license shall be~~  
563 ~~valid only for a period of one year following the first day of~~  
564 ~~the month after its issuance.~~

565 (2) a. The holder of a temporary license shall not be  
566 issued an original license until ~~he or she has satisfactorily~~  
567 ~~completed a 30-hour post-license course prescribed by the~~  
568 ~~commission.~~ both of the following are submitted to the  
569 commission:

570 1. Proof of successful completion of a 15-hour  
571 orientation as prescribed by the commission in the applicant's  
572 real estate practice area.

573 2. A complete core competencies checklist on a form  
574 prescribed by the commission and signed by the applicant's  
575 qualifying broker.

576 b. ~~If the~~ The holder of a temporary license ~~must~~  
577 ~~complete the course~~ fails to submit the application for an  
578 original license with required documentation within ~~six months~~  
579 ~~of~~ 90 days after issuance of his or her temporary license, ~~and~~  
580 ~~have his or her original license issued, otherwise~~ his or her  
581 temporary license certificate shall automatically be placed on  
582 inactive status by the commission. ~~During the remaining six~~  
583 ~~months his or her temporary license is valid, the holder of a~~  
584 ~~temporary license may complete the course and have his or her~~  
585 ~~original license issued. If the holder of a temporary license~~  
586 ~~does not complete the course and have his or her original~~  
587 ~~license issued within one year following the first day of the~~  
588 ~~month after its issuance, the temporary license shall~~



## HB225 INTRODUCED

589 ~~automatically expire and lapse. A temporary license is not~~  
590 ~~subject to renewal procedures in this chapter and may not be~~  
591 ~~renewed.~~

592 (d) (1) A licensee shall renew an inactive temporary  
593 license prior to the license renewal deadline if an original  
594 license has not yet been issued. If a temporary license  
595 remains inactive for more than three years, the licensee shall  
596 retake the salesperson professional development course prior  
597 to activating the license.

598 ~~(3)~~ (2) In order to have the status of an inactive a  
599 temporary license ~~issued~~ changed to active status, the  
600 applicant shall pay the Recovery Fund fee specified in this  
601 chapter. ~~The holder of a temporary license shall, upon~~  
602 ~~satisfactory completion of the course, pay the original~~  
603 ~~license fee specified in this chapter to have his or her~~  
604 ~~original license issued.~~ An applicant for an original license  
605 who has paid the Recovery Fund fee specified in this chapter  
606 shall not be required to pay another Recovery Fund fee in  
607 order to have his or her original license issued.

608 ~~(4) The holder of an original license who has~~  
609 ~~satisfactorily completed the postlicense course and whose~~  
610 ~~original license has been issued, shall not be subject to the~~  
611 ~~continuing education requirements in this chapter for the~~  
612 ~~first renewal of his or her original license.~~

613 ~~(d) This section shall become effective for licenses~~  
614 ~~issued beginning October 1, 1993."~~

615 "§34-27-34

616 (a) (1) ~~A broker may serve as qualifying broker for a~~



## HB225 INTRODUCED

617 ~~salesperson or associate broker only if licensed in Alabama,~~  
618 ~~his or her principal business is that of a real estate broker,~~  
619 ~~and he or she shall be in a position to actually supervise the~~  
620 ~~real estate activities of the associate broker or salesperson~~  
621 ~~on a full-time basis.~~ An individual licensed as a broker in  
622 this state may serve as a qualifying broker over a salesperson  
623 or associate broker if all of the following conditions are  
624 satisfied:

625 a. Real estate is his or her principal business.

626 b. He or she is in a position to supervise the real  
627 estate activities of the associate broker or salesperson on a  
628 full-time basis.

629 c. He or she has held an active broker license for at  
630 least 24 of the last 36 months.

631 d. He or she has completed a qualifying broker training  
632 course approved by the commission. This course may be provided  
633 by the commission or another entity designated by the  
634 commission.

635 e. He or she satisfies all minimum experience  
636 requirements that the commission may adopt by rule.

637 (2) An individual licensed as a broker in another state  
638 who has obtained a reciprocal broker license in Alabama may  
639 serve as a qualifying broker over a salesperson or associate  
640 broker if all of the following conditions are satisfied:

641 a. Real estate is his or her principal business.

642 b. He or she is in a position to supervise the real  
643 estate activities of the associate broker or salesperson on a  
644 full-time basis.





## HB225 INTRODUCED

645 c. He or she has held an active broker license for at  
646 least 24 of the last 36 months.

647 d. He or she satisfies all minimum experience and  
648 course requirements that the commission may adopt by rule.

649 ~~(2)~~ (3) a. A salesperson or associate broker shall not  
650 perform acts for which a license is required unless licensed  
651 under a qualifying broker.

652 b. A qualifying broker shall be ~~held~~ responsible to the  
653 commission and to the public for all acts governed by this  
654 chapter of each salesperson and associate broker licensed  
655 under him or her and of each company for which he or she is  
656 the qualifying broker. ~~It shall be the duty of the~~ The  
657 qualifying broker ~~to~~ shall see that all transactions of every  
658 licensee engaged by him or her or any company for which he or  
659 she is the qualifying broker ~~comply with this chapter.~~

660 ~~c. Additionally, the~~ A qualifying broker shall be  
661 responsible to an injured party for the damage caused by any  
662 violation of this chapter by any licensee engaged by the  
663 qualifying broker. This subsection does not relieve a licensee  
664 from liability that he or she would otherwise have.

665 ~~(3)~~ d. The qualifying ~~brokers'~~ broker's supervision  
666 responsibilities, as prescribed ~~herein~~ in this section, over  
667 the real estate activities of associate brokers and  
668 salespersons licensed under him or her are not intended to  
669 create and should not be construed as creating an  
670 employer-employee relationship contrary to any expressed  
671 intent of the qualifying broker and licensee to the contrary.

672 (b) (1) Any salesperson or associate broker who desires



## HB225 INTRODUCED

673 to change his or her qualifying broker shall give notice in  
674 writing to the commission, and shall send a copy of the notice  
675 to his or her qualifying broker. ~~The new qualifying broker~~  
676 ~~shall file with the commission a request for the transfer and~~  
677 ~~a statement assuming liability for the licensee.~~ In order to  
678 transfer a license, the transferee's new qualifying broker  
679 shall acknowledge to the commission that in his or her opinion  
680 the transferee is honest, trustworthy, of good reputation, and  
681 that the broker accepts responsibility for the actions of the  
682 transferee under Section 34-27-33.

683 (2) On payment of a fee of twenty-five dollars (\$25), a  
684 new license ~~certificate~~ shall be issued to the new qualifying  
685 broker on behalf of the salesperson or associate broker for  
686 the unexpired term of the original license. A fee of  
687 twenty-five dollars (\$25) shall also be charged for any of the  
688 following license changes:

689 (1)a. Change of qualifying broker by a company or sole  
690 proprietorship. The fee ~~is~~ shall be paid for ~~the~~ each license  
691 ~~or licenses~~ on which the current and new qualifying brokers'  
692 names appear. In cases where a company has a branch office ~~or~~  
693 ~~offices~~ and the main office qualifying broker is changed, the  
694 fee is paid for each branch office license and for the license  
695 of each branch qualifying broker. The new qualifying broker  
696 shall notify the commission of this change, in writing, within  
697 30 days after the change.

698 (2)b. Change of personal name of a qualifying broker.  
699 The fee ~~is~~ shall be paid for ~~the~~ each license ~~or licenses~~ on  
700 which the current qualifying broker's name appears.



## HB225 INTRODUCED

701 ~~(3)~~ c. Change of personal name of a salesperson or  
702 associate broker. The fee ~~is~~ shall be paid for the license on  
703 which the name appears.

704 ~~(4)~~ d. Change of business location. The fee ~~is~~ shall be  
705 paid for ~~the~~ each license ~~or licenses~~ on which the address  
706 appears.

707 ~~(5)~~ e. Change of business name. The fee ~~is~~ shall be paid  
708 for the license or licenses on which the name appears.

709 ~~(6)~~ f. Change of license status from inactive to active.  
710 The fee ~~is~~ shall be paid for each license being changed from  
711 inactive to active status. No fee is charged for the change  
712 from active to inactive status.

713 (c) ~~A person~~ qualifying broker who wishes to terminate  
714 his or her ~~status as qualifying broker~~ responsibility for a  
715 licensee may do so by notifying the licensee and ~~the~~  
716 ~~commission in writing and sending the licensee's license~~  
717 ~~certificate to the commission or verifying in writing to the~~  
718 ~~commission that the certificate has been lost or destroyed~~  
719 placing the licensee's license on inactive status with the  
720 commission.

721 (d) ~~A person~~ An individual who wishes to terminate his  
722 or her status as a qualifying broker for a company may do so  
723 by submitting written notice to the company, ~~or~~ qualifying  
724 broker of the parent company, and officers of the parent  
725 company and the commission.

726 (e) A salesperson or associate broker shall not perform  
727 any act for which a license is required after his or her  
728 association with his or her qualifying broker has been



## HB225 INTRODUCED

729 terminated, or if he or she changes qualifying brokers, until  
730 a new active license has been issued by the commission."

731 "§34-27-35

732 (a) The commission shall prescribe the form and content  
733 of license certificates issued. Each qualifying broker's  
734 license certificate shall show the name and business address  
735 of the broker. The license certificate of each active  
736 salesperson or associate broker shall show his or her name and  
737 address. The license certificate of each active salesperson or  
738 associate broker shall be delivered or mailed to his or her  
739 qualifying broker. Each license certificate shall be kept by  
740 the qualifying broker and shall be publicly displayed at the  
741 address which appears on the license certificate.

742 (b) The commission ~~may~~ shall establish a one-year or  
743 multi-year license period.

744 (c) (1) The fee for a temporary license shall be one  
745 hundred fifty dollars (\$150). The original fee for a ~~broker's~~  
746 broker license shall be one hundred fifty dollars (\$150) ~~and,~~  
747 ~~beginning with the license period effective October 1, 2002,~~  
748 ~~the renewal fee for a broker's license shall be seventy-five~~  
749 ~~dollars (\$75) per year for each year of the license period.~~  
750 ~~The original fee for each salesperson's license shall be~~  
751 ~~sixty-five dollars (\$65) per year for each year or portion of~~  
752 ~~a year remaining in the respective license period, and the~~  
753 ~~renewal fee for each salesperson's license shall be sixty-five~~  
754 ~~dollars (\$65) per year for each year of the license period.~~  
755 ~~The original fee for each company license shall be sixty-five~~  
756 ~~dollars (\$65) per year for each year or portion of a year~~



## HB225 INTRODUCED

757 ~~remaining in the respective license period, and the renewal~~  
758 ~~fee for each license shall be sixty-five dollars (\$65) per~~  
759 ~~year for each year of the license period.~~

760 (2) ~~Beginning with the license period effective October~~  
761 ~~1, 2004, the~~ The renewal fee for a ~~broker's~~ broker license  
762 shall be ninety-five dollars (\$95) per year for each year of  
763 the license period. The original fee for each ~~salesperson's~~  
764 salesperson license shall be eighty-five dollars (\$85) per  
765 year for each year or portion of a year remaining in the  
766 respective license period, and the renewal fee for each  
767 ~~salesperson's~~ salesperson license shall be eighty-five dollars  
768 (\$85) per year for each year of the license period. The  
769 original fee for each company license shall be eighty-five  
770 dollars (\$85) per year for each year or portion of a year  
771 remaining in the respective license period, and the renewal  
772 fee for each license shall be eighty-five dollars (\$85) per  
773 year for each year of the license period.

774 (d) ~~(1)~~ The renewal research and education fee shall be  
775 ~~two~~ seven dollars and fifty cents ~~(\$2.50)~~ (\$7.50) per year for  
776 each year of the license period and shall be paid at the time  
777 of license renewal by all brokers and salespersons in addition  
778 to the license renewal fees set out in this section.  
779 Collection of this fee shall apply to all broker and  
780 salesperson renewals, except that brokers who hold more than  
781 one ~~broker's~~ broker license shall pay the fee for only one  
782 license at each renewal.

783 ~~(2) Beginning June 1, 2014, this fee shall be seven~~  
784 ~~dollars and fifty cents (\$7.50), and the~~ The proceeds shall be



## HB225 INTRODUCED

785 distributed to the Alabama Center for Real Estate.

786 (e) The original research and education fee shall be  
787 thirty dollars (\$30) and shall be paid at the time of ~~all~~  
788 ~~applications received on and after October 15, 1995,~~ applying  
789 for issuance of an original ~~broker's~~ broker license or  
790 temporary salesperson license, ~~and shall be paid at the time~~  
791 ~~of all applications received on and after October 15, 1995,~~  
792 ~~for issuance of a temporary salesperson's license.~~ The  
793 original research and education fee shall also be paid by  
794 reciprocal salespersons. This is in addition to the original  
795 license fees set out in this section. This thirty dollar (\$30)  
796 original research and education fee is a one-time fee which no  
797 person shall be required to pay more than once.

798 (f) The license of a salesperson who is subsequently  
799 issued a ~~broker's~~ broker license automatically terminates upon  
800 the issuance of his or her ~~broker's~~ broker license  
801 ~~certificate. The salesperson's license certificate shall be~~  
802 ~~returned to the commission in order for a broker's license to~~  
803 ~~be issued.~~ No refund shall be made of any fee or Recovery Fund  
804 deposit pertaining to ~~the salesperson's, broker's, or~~  
805 ~~company's~~ a salesperson, broker, or company license once it  
806 has been in effect.

807 (g) The commission shall prescribe a license renewal  
808 form, ~~which~~ that shall accompany renewal fees which shall be  
809 filed on or before ~~August 31~~ September 30 of the final year of  
810 each license period in order for the respective license to be  
811 renewed on a timely basis for the following license period. ~~If~~  
812 ~~any of the foregoing are filed during the period from~~



## HB225 INTRODUCED

813 ~~September 1 through September 30 of the final year of a~~  
814 ~~license period, the one hundred fifty dollar (\$150) penalty~~  
815 ~~set out below shall be paid in addition to the renewal fees.~~  
816 Failure to meet this September 30 deadline shall result in the  
817 license expiring and being placed on inactive status on ~~the~~  
818 ~~following~~ October 1, and the license shall be subject to all  
819 reactivation requirements. ~~Reactivations shall be processed in~~  
820 ~~the order received as evidenced by postmark or delivery date.~~  
821 ~~Certified or registered mail may be used for reactivation in~~  
822 ~~these cases.~~ Licensees filing ~~during the period from September~~  
823 ~~1 of the final year of a license period through~~ after  
824 September 30 of the initial year of a license period shall pay  
825 the required license fee, plus a penalty of one hundred fifty  
826 dollars (\$150).

827 (h) ~~The renewal form shall be mailed by the commission~~  
828 ~~to the licensee's place of business, if an active licensee, or~~  
829 ~~to his or her residence, if an inactive licensee, prior to~~  
830 ~~August 1 of the final year of each license period.~~ Each  
831 licensee shall notify the commission in writing of any change  
832 in his or her business or residence address within 30 days of  
833 the change.

834 (i) Every license shall expire at midnight on September  
835 30 of the final year of each license period, except for a  
836 temporary license of a salesperson which shall expire 90 days  
837 after issuance or a temporary license of a broker which shall  
838 expire six months after issuance. An expired license may be  
839 renewed during the 12-month period following the license  
840 period for which the license was current. A licensee who fails



## HB225 INTRODUCED

841 to renew before the end of the 12-month period following the  
842 license period for which the license was issued has a lapsed  
843 license, and shall be subject to all requirements applicable  
844 to persons who have never been licensed, however, the  
845 commission may, upon determination of hardship, allow later  
846 renewal upon payment of all fees and penalties. An inactive  
847 license must be renewed in the same manner as an active  
848 license.

849 (j) (1) Each applicant for renewal of an active  
850 salesperson or broker license issued by the commission ~~shall,~~  
851 on or before September 30 of the final year of each license  
852 period, ~~submit~~ shall confirm through the commission's website  
853 proof of completion of ~~not less than 15 clock~~ his or her  
854 required hours of approved continuing education course work ~~to~~  
855 ~~the commission,~~ in addition to any other requirements for  
856 renewal. A maximum of six 60-minute courses shall be accepted  
857 by the commission as part of a licensee's continuing education  
858 requirement. Failure to meet this deadline shall result in the  
859 license being placed on inactive status on the following  
860 October 1, and the license shall be subject to all  
861 reactivation requirements.

862 (2) a. ~~Reactivations shall be processed in the order~~  
863 ~~received as evidenced by postmark or delivery date. Certified~~  
864 ~~or registered mail may be used for reactivation in this case.~~  
865 Proof of ~~attendance at the~~ completion of course work, whether  
866 or not the applicant attained a passing grade in the course,  
867 shall be sufficient to satisfy requirements for renewal. The  
868 ~~15 clock hours' course work~~ continuing education requirement





## HB225 INTRODUCED

869 shall apply to each two-year license renewal, and excess hours  
870 ~~in excess of 15~~ shall not be ~~cumulated or credited for the~~  
871 ~~purpose of~~ applicable to subsequent license renewals. The  
872 commission shall develop standards for approval of courses,  
873 and shall require certification of the course work of the  
874 applicant. No continuing education course shall be approved by  
875 the commission unless the course provides at least 60 minutes  
876 of instruction.

877 b. Time served as a member of the state Legislature  
878 during each license renewal period shall be deemed the  
879 equivalent of the ~~15 hours course work~~ continuing education  
880 requirement and shall satisfy the requirements of this  
881 subsection.

882 ~~(2) (3) This section shall apply to renewals of licenses~~  
883 ~~which expire after September 30, 1986.~~ An applicant for first  
884 renewal of an original license who has been licensed for not  
885 more than one year shall not be required to comply with this  
886 section for the first renewal of the applicant's license. ~~Any~~  
887 ~~licensee reaching the age of 65 on or before September 30,~~  
888 ~~2000, and having been licensed 10 years prior to that date~~  
889 ~~shall be exempt from this section.~~

890 ~~(3) (4)~~ Continuing education shall not result in a  
891 passing or failing grade.

892 (k) A licensee may request that the commission issue  
893 his or her license ~~to~~ in an inactive status. Inactive licenses  
894 shall be held at the commission office until activated. No act  
895 for which a license is required shall be performed under an  
896 inactive license.



## HB225 INTRODUCED

897 (1) If a licensee presents a form of payment to the  
898 commission, or to any third party on the commission's behalf,  
899 that is declined or rejected by a financial institution or  
900 merchant service company, the licensee shall have 30 days upon  
901 electronic notification from the commission to submit full and  
902 valid payment and an additional fee for submitting the faulty  
903 payment, not to exceed the maximum amount allowed by Section  
904 8-8-15. Failure to submit full and valid payment within 30  
905 days after electronic notification by the commission will  
906 result in a lapse of the license."

907 "§34-27-36

908 (a) The commission or its staff may on its own, or on  
909 the verified complaint in writing of any person, investigate  
910 the actions and records of a licensee. The commission may  
911 issue subpoenas and compel the testimony of witnesses and the  
912 production of records and documents during an investigation.  
913 If probable cause is found, a formal complaint shall be filed  
914 and the commission shall hold a hearing on the formal  
915 complaint. The commission shall revoke or suspend the license  
916 or impose a fine of not less than one hundred dollars (\$100)  
917 nor more than two thousand five hundred dollars (\$2,500), or  
918 both, or reprimand the licensee in each instance in which the  
919 licensee is found guilty of any of the following acts set out  
920 in this section. The commission may revoke or suspend a  
921 license until such time as the licensee has completed an  
922 approved continuing education course ~~and/or~~ or made  
923 restitution to accounts containing funds to be held for other  
924 parties. The commission may also stay the revocation or



## HB225 INTRODUCED

925 suspension of a license and require completion of an approved  
926 education course ~~and/or~~ or the making of restitution to  
927 accounts containing funds to be held for other parties.

928 (1) Procuring or attempting to procure, a license, for  
929 himself or herself or another, by fraud, misrepresentation, ~~or~~  
930 deceit, or by making a material misstatement of fact in an  
931 application for a license.

932 (2) Engaging in misrepresentation or dishonest or  
933 fraudulent acts when selling, buying, trading, or renting real  
934 property of his or her own or of a spouse ~~or~~, child, or  
935 parent.

936 (3) Making a material misrepresentation, or failing to  
937 disclose to a potential purchaser or lessee any latent  
938 structural defect or any other defect known to the licensee.  
939 Latent structural defects and other defects do not refer to  
940 trivial or insignificant defects but refer to those defects  
941 that would be a significant factor to a reasonable and prudent  
942 person in making a decision to purchase or lease.

943 (4) Making any false promises of a character likely to  
944 influence, persuade, or induce any person to enter into any  
945 contract or agreement.

946 (5) Pursuing a continued and flagrant course of  
947 misrepresentation or the making of false promises through  
948 agents or salespersons or any medium of advertising or  
949 otherwise.

950 (6) Publishing or causing to be published any  
951 advertisement ~~which~~ that deceives or ~~which~~ is likely to  
952 deceive the public, or which in any manner tends to create a



## HB225 INTRODUCED

953 misleading impression or ~~which~~ fails to identify the person  
954 causing the advertisement to be placed as a licensed broker or  
955 salesperson.

956 (7) Acting for more than one party in a transaction  
957 without the knowledge and consent in writing of all parties  
958 for whom he or she acts.

959 (8)a. Failing, within a reasonable time, to properly  
960 account for or remit money coming into his or her possession  
961 which belongs to others, or commingling money belonging to  
962 others with his or her own funds.

963 b. Failing to deposit and account for at all times all  
964 funds belonging to ~~r~~ or being held for others ~~r~~ in a separate  
965 federally insured account or accounts in a financial  
966 institution located in Alabama.

967 c. Failing to keep for at least three years a complete  
968 record of funds belonging to others showing to whom the money  
969 belongs, date deposited, date of withdrawal, and other  
970 pertinent information.

971 (9) Placing a sign on any property offering it for  
972 sale, lease, or rent without the consent of the owner.

973 (10) Failing to voluntarily furnish a copy of each  
974 listing, contract, lease, and other document to each party  
975 executing the document with reasonable promptness.

976 (11) Paying any profit, compensation, commission, or  
977 fee to, or dividing any profit, compensation, commission, or  
978 fee with, anyone other than a licensee or multiple listing  
979 service. This subdivision shall not prevent an associate  
980 broker or salesperson from owning any lawfully constituted



## HB225 INTRODUCED

981 business organization, including, but not limited to, a  
982 corporation or limited liability company or limited liability  
983 corporation, for the purpose of receiving payments  
984 contemplated in this subsection. The business organization  
985 shall not be required to be licensed under this chapter, and  
986 shall not engage in any other activity requiring a real estate  
987 license.

988 (12) Paying or receiving any rebate from any person in  
989 a real estate transaction.

990 (13) Inducing any party to a contract to break the  
991 contract for the purpose of substituting a new contract, where  
992 the substitution is motivated by the personal gain of the  
993 licensee.

994 (14) If the licensee is a salesperson or associate  
995 broker, accepting a commission or other valuable consideration  
996 for performing any act for which a license is required from  
997 any person except his or her qualifying broker.

998 (15) If a qualifying broker or company, allowing a  
999 salesperson or associate broker licensed under him or her to  
1000 advertise himself or herself as a real estate agent without  
1001 the name or trade name of the qualifying broker or company  
1002 appearing prominently on the advertising; or if the licensee  
1003 is a salesperson or associate broker, advertising himself or  
1004 herself as a real estate agent without the name or trade name  
1005 of the qualifying broker or company under whom the salesperson  
1006 or associate broker is licensed appearing prominently on the  
1007 advertising.

1008 ~~(16) Presenting to the commission, as payment for a fee~~



## HB225 INTRODUCED

1009 ~~or fine, a check that is returned unpaid.~~

1010 ~~(17)~~ (16) Establishing an association, by employment or  
1011 otherwise, with an unlicensed person who is expected or  
1012 required to act as a licensee, or aiding, abetting, or  
1013 conspiring with a person to circumvent the requirements of  
1014 this chapter.

1015 ~~(18)~~ (17) Failing to disclose to an owner the licensee's  
1016 intention to acquire, directly or indirectly, an interest in  
1017 property which he or she or his or her associates have been  
1018 employed to sell.

1019 ~~(19)~~ (18) Violating or disregarding any provision of  
1020 this chapter or any rule, regulation, or order of the  
1021 commission.

1022 ~~(20)~~ (19) If a broker, accepting a "net listing"  
1023 agreement for sale of real property or any interest therein. A  
1024 "net listing" is one that stipulates a net price to be  
1025 received by the owner with the excess due to be received by  
1026 the broker as his or her commission.

1027 ~~(21)~~ (20) Misrepresenting or failing to disclose to any  
1028 lender, guaranteeing agency, or any other interested party, ~~7~~  
1029 the true terms of a sale of real estate.

1030 ~~(22)~~ (21) Failing to inform the buyer or seller at the  
1031 time an offer is presented that he or she will be expected to  
1032 pay certain closing costs and the approximate amount of those  
1033 costs.

1034 ~~(23)~~ (22) a. Having entered a plea of guilty or nolo  
1035 contendere to, or having been found guilty of or convicted of, ,  
1036 a felony or a crime involving moral turpitude.



## HB225 INTRODUCED

1037           b. Having a final money judgment rendered against him  
1038 or her which results from an act or omission occurring in the  
1039 pursuit of his or her real estate business or involves the  
1040 goodwill of an existing real estate business.

1041           ~~(24)~~ (23) Offering free lots or conducting lotteries for  
1042 the purpose of influencing a party to purchase or lease real  
1043 estate.

1044           ~~(25)~~ (24) Failing to include a fixed date of expiration  
1045 in a written listing agreement or failing to leave a copy of  
1046 the agreement with the principal.

1047           ~~(26)~~ (25) Conduct which constitutes or demonstrates  
1048 dishonest dealings, bad faith, or untrustworthiness.

1049           ~~(27)~~ (26) Acting negligently or incompetently in  
1050 performing an act for which a person is required to hold a  
1051 real estate license.

1052           ~~(28)~~ (27) Failing or refusing on demand to produce a  
1053 document, book, or record in his or her possession concerning  
1054 a real estate transaction conducted by him or her for  
1055 inspection by the commission or its authorized personnel or  
1056 representative.

1057           ~~(29)~~ (28) Failing within a reasonable time to provide  
1058 information requested by the commission during an  
1059 investigation or after a formal complaint has been filed.

1060           ~~(30)~~ (29) Failing without cause to surrender to the  
1061 rightful owner, on demand, a document or instrument coming  
1062 into his or her possession.

1063           ~~(31)~~ (30) If a qualifying broker or company, failing to  
1064 keep in their files copies of all contracts, leases, listings,



## HB225 INTRODUCED

1065 and other records pertinent to real estate transactions for a  
1066 period of three years.

1067 (b) If it appears that a person, firm, corporation, or  
1068 any business entity has engaged, or is about to engage, in an  
1069 act or practice constituting a violation of Article 1 or 2 of  
1070 this chapter or any rule or order of the commission, the  
1071 commission, through the Attorney General, may institute legal  
1072 actions to enjoin the act or practice and to enforce  
1073 compliance with Articles 1 and 2 of this chapter or any rule  
1074 or order of the commission. To prevail in an action, it shall  
1075 not be necessary to allege or prove either that an adequate  
1076 remedy at law does not exist or that substantial or  
1077 irreparable damage would result from the continued violation.

1078 (c) (1) Notwithstanding any other provisions of law, the  
1079 commission may issue an order requiring any accused person,  
1080 firm, corporation, or business entity to cease and desist from  
1081 engaging in activities requiring a license under this chapter  
1082 when the accused person, firm, corporation, or business entity  
1083 is not licensed under this chapter. The order shall be entered  
1084 by the executive director after a finding of probable cause by  
1085 the commission staff. The order shall become final 15 days  
1086 after its service upon the accused, unless the accused  
1087 requests a hearing before the commission. Upon hearing the  
1088 case and finding violations, the commission may make the cease  
1089 and desist order final and the commission may impose a fine  
1090 for each violation in an amount consistent with the range of  
1091 fines applicable to licensees, and in addition, may impose a  
1092 fine in the amount of any gain or economic benefit that was





## HB225 INTRODUCED

1093 derived from the violation, and in addition, may impose a fine  
1094 in the amount of the commission's costs incurred. Any fines  
1095 not paid as ordered shall be enforceable in any court with  
1096 competent jurisdiction and proper venue.

1097 (2) Notwithstanding any other provisions of law, the  
1098 commission may decline to issue an order requiring any accused  
1099 person, firm, corporation, or business entity to cease and  
1100 desist from engaging in activities requiring a license under  
1101 this chapter when the accused person, firm, corporation, or  
1102 business entity is not licensed under this chapter. In this  
1103 instance, the commission shall proceed to give appropriate  
1104 notice of the violations and hold a hearing thereon. Upon  
1105 hearing the case and finding violations, the commission may  
1106 impose a fine for each violation in an amount consistent with  
1107 the range of fines applicable to licensees, and in addition,  
1108 may impose a fine in the amount of any gain or economic  
1109 benefit that was derived from the violation, and in addition,  
1110 may impose a fine in the amount of the commission's costs  
1111 incurred. Any fine or fines not paid as ordered shall be  
1112 enforceable in any court with competent jurisdiction and  
1113 proper venue.

1114 (d) The commission shall notify the licensee and  
1115 qualifying broker in writing regarding the complaint.

1116 (e) The commission shall notify the complainant,  
1117 licensee, and qualifying broker in writing regarding the  
1118 disposition of the complaint."

1119 Section 2. This act shall become effective on October  
1120 1, 2028.