

HB492 INTRODUCED



1 HB492
2 FQGL5CD-1
3 By Representatives Hollis, Wood (D), Bracy
4 RFD: Boards, Agencies and Commissions
5 First Read: 30-Apr-24



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SYNOPSIS:

Under existing law pertaining to licensing real estate companies, brokers, and salespersons, there is no provision limiting the number of co-brokerage agreements a licensed out-of-state broker may enter into with state licensed brokers.

Under existing law, there is no limit on the duration of a residential listing agreement.

Under existing law, there are no specific disclosures required of licensees dealing in equitable interests in a contract for purchase and sale of residential property.

This bill would provide certain requirements pertaining to training, qualifications, licensure, and license renewal for licensed real estate companies, brokers, salespersons, schools that offer real estate training courses, and applicants for licensure.

This bill would provide certain restrictions on transactions between licensed out-of-state co-brokers and licensees of this state.

This bill would provide that the Alabama Real Estate Commission may impose penalties for a licensee's failure to disclose certain aspects of transactions involving the sale or assignment of an equitable interest in a contract for the purchase and sale of



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29 residential real estate.

30 This bill would further provide that the Alabama
31 Real Estate Commission may impose penalties for certain
32 conduct by licensees, including, but not limited to,
33 the failure to specify the expiration date of a
34 residential listing agreement or for creating an
35 encumbrance on the property that is the subject of a
36 residential listing agreement by recording the listing
37 agreement with a probate officer.

38 This bill would also make nonsubstantive,
39 technical revisions to update the existing code
40 language to current style.

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A BILL

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TO BE ENTITLED

44

AN ACT

45

46 Relating to licensed real estate professionals and
47 companies; to amend Sections 34-27-2, 34-27-3, 34-27-6,
48 34-27-8, 34-27-32, 34-27-33, 34-27-34, 34-27-35, 34-27-36,
49 34-27-81, 34-27-82, 34-27-83, 34-27-84, 34-27-85, and
50 34-27-86, Code of Alabama 1975; to provide certain
51 requirements related to training, qualifications, and
52 licensure of real estate companies, brokers, and salespersons;
53 to provide restrictions on licensed out-of-state co-broker
54 transactions in the state; to impose penalties for certain
55 licensee conduct including certain conduct related to the sale
56 or assignment of an equitable interest in a residential



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57 purchase and sale agreement and for the failure to provide a
58 specified expiration date of a residential listing agreement;
59 and to make nonsubstantive, technical revisions to update the
60 existing code language to current style.

61 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

62 Section 1. Sections 34-27-2 and 34-27-3, Code of
63 Alabama 1975, are amended to read as follows:

64 "§34-27-2

65 (a) For purposes of Articles 1 and 2 ~~of this chapter~~,
66 the following terms ~~shall~~ have the ~~respective~~ following
67 meanings ~~ascribed by this section~~:

68 (1) ASSOCIATE BROKER. Any broker other than a
69 qualifying broker.

70 (2) BROKER. Any person licensed as a real estate broker
71 under Articles 1 and 2 ~~of this chapter~~.

72 (3) COMMISSION. The Alabama Real Estate Commission,
73 except where the context requires that it means the fee paid
74 to a broker or salesperson.

75 (4) COMMISSIONER. A member of the commission.

76 (5) COMPANY. Any sole proprietorship, corporation,
77 partnership, branch office, or lawfully constituted business
78 organization as the Legislature may provide for ~~from time to~~
79 ~~time~~, which is licensed as a company under Articles 1 and 2 ~~of~~
80 ~~this chapter~~.

81 (6) ENGAGE. Contractual relationships between a
82 qualifying broker and an associate broker or salesperson
83 licensed under him or her whether the relationship is
84 employer-employee, independent contractor, or otherwise.



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85 (7) EQUITABLE INTEREST IN A CONTRACT or EQUITABLE
86 INTEREST. Any interests or rights in a contract or agreement
87 to purchase residential real estate held by a party to the
88 contract or agreement.

89 ~~(7)~~ (8) INACTIVE LICENSE. A license ~~which~~ that is being
90 held by the commission office by law, order of the commission,
91 at the request of the licensee, or which is renewable but is
92 not currently valid because of failure to renew.

93 ~~(8)~~ (9) LICENSEE. Any broker, salesperson, or company.

94 ~~(9)~~ (10) LICENSE PERIOD. That period of time beginning
95 on October 1 of a year designated by the commission to be the
96 first year of a license period and ending on midnight
97 September 30 of the year designated by the commission as the
98 final year of that license period.

99 (11) LISTING AGREEMENT. An agreement between a company
100 and an owner by which the company agrees to assist the owner
101 in the sale of the owner's real property in exchange for a
102 fee. The definition includes agreements giving the company the
103 right to list or market the owner's real property upon the
104 owner's future decision to sell the property.

105 (12) OWNER. A person or entity legally deeded real
106 property.

107 ~~(10)~~ (13) PERSON. A natural person.

108 ~~(11)~~ (14) PLACE OF BUSINESS.

109 a. A licensed broker living in a rural area of this
110 state who operates from his or her home, provided that he or
111 she sets up and maintains an office for the conduct of the
112 real estate business, which shall not be used for living



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113 purposes or occupancy other than the conduct of the real
114 estate business. The office shall be used by the broker only
115 and not as a place of business from which any additional
116 licensee operates under his or her license. The office shall
117 have a separate business telephone, separate entrance, and be
118 properly identified as a real estate office.

119 b. All licensees located within the city limits or
120 police jurisdiction of a municipality shall operate from a
121 separate office located in the city limits or police
122 jurisdiction. The office shall have a business telephone, meet
123 all other regulations of the Real Estate Commission, and be
124 properly identified as a real estate office. Hardship cases
125 may be subject to waiver of this regulation upon application
126 and approval by the commission.

127 c. All business records and files shall be kept at the
128 place of business as required by law or Real Estate Commission
129 rules.

130 (15) PRINCIPAL BROKER. As used in other states, having
131 the same meaning as "qualifying broker" in this state.

132 ~~(12)~~ (16) QUALIFYING BROKER. A broker under whom a sole
133 proprietorship, corporation, partnership, branch office, or
134 lawfully constituted business organization as the Legislature
135 may ~~from time to time~~ provide is licensed, or a broker
136 licensed as a company to do business as a sole proprietorship
137 who is responsible for supervising the acts of the company or
138 proprietorship and all real estate licensees licensed
139 therewith.

140 ~~(13)~~ (17) RECOVERY FUND. The Alabama Real Estate



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141 Recovery Fund.

142 (18) RESIDENTIAL. Pertaining to real property located
143 in the state which is used primarily as a residence.

144 ~~(14)~~ (19) SALESPERSON. Any person licensed as a real
145 estate salesperson under Articles 1 and 2 ~~of this chapter.~~

146 (b) The licensing requirements of Articles 1 and 2 ~~of~~
147 ~~this chapter~~ shall not apply to any of the following persons
148 and transactions:

149 (1) Any owner in the managing of, or in consummating a
150 real estate transaction involving, his or her own real estate
151 or the real estate of his or her spouse or child or parent.

152 (2) An attorney-at-law performing his or her duties as
153 an attorney-at-law.

154 (3) Persons acting without compensation and in good
155 faith under a duly executed power of attorney authorizing the
156 consummation of a real estate transaction.

157 (4) Persons or a state or federally chartered financial
158 institution acting as a receiver, trustee, administrator,
159 executor, or guardian; or acting under a court order or under
160 authority of a trust instrument or will.

161 (5) Public officers performing their official duties.

162 (6) Persons performing general clerical or
163 administrative duties for a broker so long as the person does
164 not physically show listed property.

165 (7) Persons acting as the manager for an apartment
166 building or complex. ~~However, this~~ This exception shall not
167 apply to a person acting as an on-site manager of a
168 condominium building or complex.



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169 (8) Persons licensed as time-share sellers under
170 Article 3 ~~of this chapter~~ performing an act consistent with
171 that article.

172 (9) Transactions involving the sale, lease, or transfer
173 of cemetery lots."

174 "§34-27-3

175 (a) A licensed principal broker of another state may
176 act as co-broker, whether in sales or lease transactions, with
177 a licensed qualifying broker of this state by executing a
178 written agreement specifying each parcel of property covered
179 by the agreement ~~if the state in which the nonresident broker~~
180 ~~is licensed offers the same privileges to licensees of this~~
181 ~~state~~. Co-brokerage agreements are limited to three
182 transactions per calendar year, per licensed out-of-state
183 principal broker. Transactions may include multiple properties
184 if the properties are part of the same portfolio. No licensed
185 out-of-state principal broker shall use co-brokerage
186 agreements to engage in transactions totaling more than fifty
187 million dollars (\$50,000,000) in any one calendar year.

188 (b) Whenever an Alabama qualifying broker enters into a
189 co-brokerage agreement with a ~~nonresident~~ licensed out-of-state
190 principal broker to perform in Alabama any of the acts
191 described in Section 34-27-30, the Alabama qualifying broker
192 shall file ~~within 10 days~~ with the commission a copy of each
193 ~~such~~ written agreement not more than 10 days after the
194 agreement is signed by all parties. By signing the agreement,
195 the ~~nonresident~~ licensed out-of-state principal broker agrees
196 to abide by Alabama law, and the rules ~~and regulations~~ of the



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197 commission; and further agrees that civil actions may be
198 commenced against him or her in any court of competent
199 jurisdiction in any county of this state in which a claim may
200 arise.

201 (c) All co-brokerage agreements with licensed
202 out-of-state co-brokers shall include all of the following
203 provisions:

204 (1) The Alabama broker shall require a listing or joint
205 listing of the property involved.

206 (2) The agreement shall specify all material terms,
207 including, but not limited to, the financial terms.

208 (3) The showing of property located in Alabama and any
209 negotiations pertaining to it shall be supervised by the
210 Alabama broker.

211 (4) The name of the Alabama broker shall appear in all
212 advertising of real property located in the state.

213 (5) The Alabama broker shall be liable for all acts of
214 the licensed out-of-state broker, as well as his or her own
215 acts, arising from the execution of the co-brokerage
216 agreement.

217 (6) The Alabama broker shall verify that the licensed
218 out-of-state broker is a licensed principal broker in another
219 state.

220 (7) Any earnest money deposited pursuant to the
221 agreement must be held in escrow by the Alabama broker unless
222 both the buyer and the seller agree in writing to relieve the
223 Alabama broker of this responsibility."

224 Section 2. Section 34-27-6, Code of Alabama 1975, is



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225 amended to read as follows:

226 "§34-27-6

227 (a) For purposes of this section and rules adopted
228 pursuant thereto, the following terms ~~shall~~ have the following
229 meanings:

230 (1) ACCREDITED SCHOOL. Any nonprofit college or
231 university meeting the standards of an accrediting agency
232 recognized by the U.S. Department of Education and offering
233 any commission-approved course.

234 ~~(1)~~ (2) ADMINISTRATOR. A person designated by a
235 ~~principal~~ school ~~or branch school~~ and approved by the
236 commission to be the person responsible to the commission for
237 all acts governed by this chapter and applicable rules
238 ~~which~~ that govern the operation of schools.

239 ~~(2)~~ (3) APPROVED COURSE. Any course of instruction
240 approved by the commission that satisfies commission
241 requirements for prelicense education, ~~postlicense education,~~
242 or continuing education.

243 ~~(3) APPROVED SCHOOL. Any proprietary educational~~
244 ~~institution offering only commission approved continuing~~
245 ~~education courses and any accredited college or university~~
246 ~~that offers any commission approved course.~~

247 ~~(4)~~ (4) BRANCH SCHOOL. Any school under the ownership of
248 a principal school which offers commission approved courses at
249 a permanent location.

250 (5) CE-ONLY SCHOOL. Any private educational institution
251 or organization offering only commission approved continuing
252 education courses.



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253 (6) CONTINUING EDUCATION. Any professional course
254 required to renew or activate a license which shall be a
255 minimum of one clock-hour upon approval of the commission.

256 (7) DISTANCE EDUCATION. Courses where instruction does
257 not take place in a traditional classroom setting but rather
258 where teacher and student are apart by distance or by time and
259 instruction takes place through other media.

260 ~~(5) INSTRUCTIONAL SITE. Any physical place where~~
261 ~~commission approved instruction is conducted apart from the~~
262 ~~principal school or branch school.~~

263 ~~(6)~~ (8) INSTRUCTOR. A person approved by the commission
264 to teach approved courses in the classroom or by distance
265 education.

266 (9) PRELICENSE INSTRUCTOR. An instructor of commission
267 approved prelicense courses offered to individuals preparing
268 to apply for real estate licensure as a salesperson or a
269 broker and other courses offered at a prelicense school.

270 ~~(7) LICENSED~~ (10) PRELICENSE SCHOOL. Any ~~proprietary~~
271 school that is licensed by the commission and bonded pursuant
272 to this section, including any for-profit college, that offers
273 commission approved prelicense courses ~~or postlicense courses,~~
274 ~~or both, only after being licensed and bonded by the~~
275 ~~commission.~~ Prelicense schools may also offer continuing
276 education courses.

277 ~~(8)~~ (11) PRINCIPAL SCHOOL. Any institution or
278 organization ~~which~~ that is the primary school and not a branch
279 school ~~that is approved~~ and is licensed by the commission.

280 ~~(9) PROPRIETARY SCHOOL. Any school that is not an~~



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281 ~~accredited college or university and which offers commission~~
282 ~~approved prelicense courses or postlicense courses, or both,~~
283 ~~only after being licensed and bonded by the commission. Each~~
284 ~~branch school shall be licensed separately.~~

285 (b) The commission shall ~~approve and regulate schools~~
286 ~~that offer commission approved prelicense, postlicense, and~~
287 ~~continuing education courses. The commission shall be the~~
288 ~~board, commission, or agency with~~have the sole and exclusive
289 authority to license ~~proprietary and regulate~~ schools ~~and their~~
290 ~~branches~~ for the limited purpose of their offerings of
291 commission approved prelicense courses and to approve CE-only
292 schools for the limited purpose of their offerings of
293 commission approved continuing education courses ~~or~~
294 ~~postlicense courses, or both~~ that offer commission approved
295 prelicense and continuing education courses.

296 (c) (1) The commission shall ~~require proprietary~~require
297 any prelicense principal school ~~schools~~ to ~~furnish~~obtain a
298 surety bond issued by a surety company authorized to do
299 business in Alabama, payable to the commission in ~~the amount~~
300 ~~of an amount not to exceed~~ twenty thousand dollars (\$20,000)
301 ~~with a surety company authorized to do business in Alabama,~~
302 ~~which bond shall provide.~~ The bond shall provide that the bond
303 obligor ~~therein~~ shall pay ~~up to~~ an amount not to exceed twenty
304 thousand dollars (\$20,000) in the aggregate sum of all
305 judgments ~~which shall be~~ recovered against the school for
306 damages arising from the school's collection of tuition or
307 fees, or both, from students, but failing to provide the
308 complete instruction for which ~~such~~ the tuition or fees were



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309 collected.

310 (2) The bond shall be obtained by the school and shall
311 also cover any branch schools named in the bond or any
312 endorsement or amendment of or to the bond.

313 (3) The bond shall remain in effect as long as the
314 school is licensed. In the event the bond is revoked or
315 ~~cancelled~~canceled by the surety company, the school shall have
316 10 days after cancellation or revocation to obtain a new bond
317 and file ~~it~~ the bond with the commission. Failure to maintain
318 a bond shall result in the immediate suspension of the
319 licenses of the school and all of its branches.

320 ~~The bond shall be provided by the school and shall also~~
321 ~~cover any branch schools named in the bond or any endorsement~~
322 ~~or amendment thereto.~~

323 (d) (1) The commission shall charge a license fee for
324 each ~~licensed~~prelicense principal school and ~~shall charge a~~
325 ~~fee for each~~ branch school in the amount of two hundred fifty
326 dollars (\$250) per year for each year or portion of a year
327 remaining in the respective license period. The renewal fee
328 for each ~~school license~~prelicense principal and branch school
329 shall be one hundred twenty-five dollars (\$125) for each year
330 of the license period.

331 (2) The commission shall charge an approval fee for
332 each CE-only school in the amount of one hundred dollars
333 (\$100) per year for each year or remaining portion of a year
334 in any approval period. The renewal fee for each CE-only
335 school shall be fifty dollars (\$50) for each year of any
336 approval period.



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

341 (f) ~~Principal schools~~The signage for each principal
342 school and branch school shall ~~be~~ clearly ~~identified by~~
343 ~~signage~~indicate the name of the school in a manner as
344 appropriate for ~~the~~its location. The signage ~~shall set out the~~
345 ~~name of the principal school. Branch schools shall be clearly~~
346 ~~identified by signage as appropriate for the location. The~~
347 ~~signage shall set out~~for each branch school shall also
348 indicate ~~the name of the branch school and~~ the name of the
349 principal school under which it operates.

350 (g) The commission ~~shall have the authority to~~ may
351 reprimand, fine, suspend for a period up to two years, or
352 revoke the license or approval of any school, administrator,
353 or instructor for any violation of this section or any rule of
354 the commission. The fine shall be not less than one hundred
355 dollars (\$100) nor ~~more~~greater than ~~two thousand five hundred~~
356 ~~dollars (\$2,500)~~five thousand dollars (\$5,000) per
357 ~~count~~violation.

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

362 (i) (1) The commission shall approve and regulate
363 instructors who teach the ~~commission approved~~ prelicense,
364 ~~postlicense~~, and continuing education courses. The commission



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365 shall establish and collect fees as determined necessary, in
366 an amount not to exceed fifty dollars (\$50) per instructor
367 annually, ~~to approved instructors who teach commission~~
368 ~~approved courses.~~

369 (2) The commission shall establish a continuing
370 education requirement for all active prelicense instructors.

371 (j) (1) An instructor, administrator, or school may
372 request that the commission issue or change its education
373 approval or license to inactive status. An instructor,
374 administrator, or school whose status is inactive shall be
375 prohibited from engaging in any of the following:

- 376 a. Teaching commission approved courses.
- 377 b. Offering commission approved courses.
- 378 c. Performing any duties of an administrator,
379 including, but not limited to, registering students,
380 advertising the school, reporting course schedules to the
381 commission, or entering student credit for completed courses.

382 (2) The inactive status of an instructor,
383 administrator, or school must be renewed in the same manner as
384 an active status for an instructor, administrator, or school,
385 as provided in this section.

386 (k) (1) A prelicense instructor whose status is inactive
387 for three years or less and who renews his or her approval
388 while inactive may activate his or her approval for the first
389 time during any approval period by meeting all of the
390 following requirements:

- 391 a. Completing any continuing education requirement for
392 instructors that remains incomplete from the previous approval



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393 period.

394 b. Paying an activation fee.

395 (2) A prelicense instructor whose approval remains
396 inactive for longer than three years must take required
397 training before activating his or her approval. Once his or
398 her approval is on active status, a prelicense instructor will
399 be responsible for completing the then current continuing
400 education coursework requirements to renew the active approval
401 for the next approval period.

402 (3) In addition to any other requirements provided in
403 this section, any instructor, administrator, or school that is
404 seeking to change its status from inactive to active shall be
405 required to pay an activation fee in the amount of fifty
406 dollars (\$50) per approval or license.

407 (1) An active prelicense instructor with an inactive
408 broker license must remain current with continuing education
409 requirements for active brokers as well as the continuing
410 education requirements for active prelicense instructors.

411 (m) (1) All education licenses and approvals shall
412 expire at midnight on September 30 of the final year of each
413 approval period. Each prelicense instructor must complete
414 required continuing education courses and provide proof of
415 completion to the commission on or before September 30 of the
416 final year of each approval period.

417 (2) The continuing education coursework requirement
418 shall apply to each two-year education renewal. Coursework
419 hours completed in excess of the requirement shall not be
420 applicable to any subsequent renewal.



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421 (3) An inactive status of a prelicense instructor shall
422 be renewed in the same manner as for an active prelicense
423 instructor except that continuing education coursework shall
424 not be required while the status remains inactive.

425 (n) Any instructor, administrator, or school that fails
426 to renew its active status approval or license by the
427 September 30 deadline shall incur a late fee in the amount of
428 two hundred dollars (\$200) per approval or license.

429 (o) (1) An instructor, administrator, or school may
430 renew any expired approval or license during the 12-month
431 period following the September 30 renewal deadline, provided
432 that an instructor, administrator, or school shall not engage
433 in any activity for which a license or approval is required
434 until the commission approves the renewal.

435 (2) Except as provided in subdivision (3), after the
436 last day of the twelfth month following the September 30
437 renewal deadline, an expired license or approval shall lapse
438 and shall be subject to all requirements applicable to an
439 original license or approval.

440 (3) The commission may allow renewal of an expired
441 license or approval upon a determination of hardship, provided
442 that all required fees are paid.

443 ~~(j) The~~ (p) (1) Except as provided in subdivision (2),
444 the commission shall approve courses and establish and collect
445 fees ~~as determined~~ deemed necessary, in an amount not to exceed
446 one hundred dollars (\$100) per application, to review each
447 course.

448 (2)a. The commission may certify and approve



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449 synchronous distance education courses and establish and
450 collect fees deemed necessary, in an amount not to exceed four
451 hundred dollars (\$400) per application, to review each course.

452 b. The commission shall consider synchronous distance
453 education courses for certification based on the commission's
454 analysis of all of the following aspects:

455 1. The course or program mission statement.

456 2. Course design.

457 3. Interactivity.

458 4. Delivery.

459 5. Equipment.

460 6. The learning environment.

461 7. Student support services.

462 8. Educational effectiveness and assessment of student
463 learning outcomes.

464 9. Commitment to ongoing support of the course.

465 ~~(k)~~ (q) The commission shall establish one-year or
466 multi-year approval or license periods for schools,
467 instructors, administrators, and courses. Approval and license
468 periods shall run from October 1 of the first year of the
469 approval or license period through September 30 of the final
470 year of the approval or license period.

471 (1) The commission shall promulgate rules and
472 regulations as necessary to accomplish the purpose of this
473 section in accordance with the Administrative Procedure Act."

474 Section 3. Section 34-27-8, Code of Alabama 1975, is
475 amended to read as follows:

476 "§34-27-8



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477 ~~(a)~~ A majority of the commission members shall
478 constitute a quorum for the conduct of commission business.
479 The commission may adopt and enforce all rules ~~and regulations~~
480 pursuant to the ~~state administrative procedure statutes~~
481 Alabama Administrative Procedure Act necessary for the
482 administration of this chapter, and to otherwise do all things
483 necessary and convenient for effecting this chapter.

484 (b) In addition to the powers granted in this section,
485 the commission may adopt and enforce rules and regulations
486 governing the requirements of agency disclosure by licensed
487 brokers and salespersons.

488 ~~(c) Each offer to purchase prepared after August 1,~~
489 ~~1998, shall have prominently displayed the following AGENCY~~
490 ~~DISCLOSURE clause which shall be completed and initialed as~~
491 ~~indicated:~~

492 ~~The listing company _____ is:~~

493 ~~(Two blocks may be checked)~~

494 ~~_____ An agent of the seller.~~

495 ~~_____ An agent of the buyer.~~

496 ~~_____ An agent of both the seller and buyer and is~~
497 ~~acting as a limited consensual dual agent.~~

498 ~~_____ Assisting the _____ buyer _____ seller as a~~
499 ~~transaction broker.~~

500 ~~The selling company _____ is:~~

501 ~~(Two blocks may be checked)~~

502 ~~_____ An agent of the seller.~~

503 ~~_____ An agent of the buyer.~~

504 ~~_____ An agent of both the seller and buyer and is~~



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505 ~~acting as a limited consensual dual agent.~~

506 ~~_____ Assisting the _____ buyer _____ seller as a~~
507 ~~transaction broker."~~

508 Section 4. Section 34-27-32, Code of Alabama 1975, is
509 amended to read as follows:

510 "§34-27-32

511 (a) A license for a broker or a salesperson shall be
512 registered to a specific real estate office and shall be
513 issued only to, and held only by, a person who meets all of
514 the following requirements:

515 (1) Is trustworthy and competent to transact the
516 business of a broker or salesperson in a manner that
517 safeguards the interest of the public.

518 (2) Is a person whose application for real estate
519 licensure has not been rejected in any state on any grounds
520 other than failure to pass a written examination within the
521 two years prior to the application for real estate licensure
522 with Alabama. If the applicant's rejection for real estate
523 licensure in any state is more than two years from the date of
524 application for licensure with Alabama, then the applicant may
525 not be issued an Alabama real estate license without the
526 approval of the ~~commissioners~~commission.

527 (3) Is a person whose real estate license has not been
528 revoked in any state within the two years prior to application
529 for real estate licensure with Alabama. If the applicant's
530 real estate licensure revocation in any state, including
531 Alabama, is more than two years from the date of application
532 for licensure with Alabama then the applicant may not be



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533 issued an Alabama real estate license without the approval of
534 the ~~commissioners~~commission.

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

536 (5) Is a citizen of the United States or, if not a
537 citizen of the United States, a person who is legally present
538 in the United States with appropriate documentation from the
539 federal government, or is an alien with permanent resident
540 status.

541 (6) Is a person who, if a nonresident, agrees to sign
542 an affidavit stating the following and in the following form:

543 "I, as a nonresident applicant for a real estate
544 license and as a licensee, agree that the Alabama Real Estate
545 Commission shall have jurisdiction over me in any and all of
546 my real estate related activities the same as if I were an
547 Alabama resident licensee. I agree to be subject to
548 investigations and disciplinary actions the same as Alabama
549 resident licensees. Further, I agree that civil actions may be
550 commenced against me in any court of competent jurisdiction in
551 any county of the State of Alabama.

552 "I hereby appoint the Executive Director or the
553 Assistant Executive Director of the Alabama Real Estate
554 Commission as my agent upon whom all disciplinary, judicial,
555 or other process or legal notices may be served. I agree that
556 any service upon my agent shall be the same as service upon me
557 and that certified copies of this appointment shall be deemed
558 sufficient evidence and shall be admitted into evidence with
559 the same force and effect as the original might be admitted. I
560 agree that any lawful process against me which is served upon



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561 my agent shall be of the same legal force and validity as if
562 personally served upon me and that this appointment shall
563 continue in effect for as long as I have any liability
564 remaining in the State of Alabama. I understand that my agent
565 shall, within a reasonable time after service upon him or her,
566 mail a copy of the service by certified mail, return receipt
567 requested, to me at my last known business address.

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

571 _____ Legal Signature of Applicant"

572 (b) The commission may reject the application of any
573 person who has been convicted of or pleaded guilty or nolo
574 contendere to a felony or a crime involving moral turpitude.

575 ~~(b)~~ (c) (1) a. A person who holds a current real estate
576 salesperson license in another state, including persons who
577 move to and become residents of Alabama, shall apply for a
578 reciprocal salesperson license ~~on a form prescribed by the~~
579 ~~commission~~. A person who holds a current broker license in
580 another state, including persons who move to and become
581 residents of Alabama, shall apply for a reciprocal broker
582 license ~~on a form prescribed by the commission~~.

583 b. The applicant shall submit proof that he or she has
584 a current real estate license in another state as evidenced by
585 a certificate of licensure, together with any other
586 information required by the commission. The applicant shall
587 also show proof that he or she has completed at least six
588 hours of course work in Alabama real estate which is approved



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589 by the commission. Applicants for a reciprocal license shall
590 not be subject to the complete examination or temporary
591 license requirements of Section 34-27-33, but shall pass a
592 reasonable written examination prepared by the commission on
593 the subject of Alabama real estate. A person who holds a
594 reciprocal license shall show proof of completion of
595 continuing education either by meeting the requirements of
596 Section 34-27-35 or by showing proof that his or her other
597 state license remains active in that state.

598 c. The fees for issuance and renewal of a reciprocal
599 license shall be the same as those for original licenses
600 pursuant to Section 34-27-35. The recovery fund fee for
601 issuance of a reciprocal license shall be the same as for an
602 original license pursuant to Section 34-27-31.

603 (2) A person who holds a current Alabama license who
604 moves to and becomes a resident of the state shall within 10
605 days submit to the commission notice of change of address and
606 all other license status changes.

607 ~~(e)~~ (d) A person who does not hold a current real estate
608 broker license in another state desiring to be a real estate
609 broker in this state shall apply for a ~~broker's~~broker license
610 on a form prescribed by the commission which shall specify the
611 real estate office to which he or she is registered. Along
612 with the application, he or she shall submit all of the
613 following:

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



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617 of application.

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

620 (3) Proof that he or she has successfully completed a
621 course in real estate approved by the commission, which shall
622 be a minimum of 60 clock hours.

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

624 ~~(d)~~ (e) A person who does not hold a current real estate
625 salesperson license in another state desiring to be a real
626 estate salesperson in this state shall apply for a
627 ~~salesperson's~~ salesperson license with the commission on a form
628 prescribed by the commission which shall specify the real
629 estate office to which he or she is registered. Along with the
630 application he or she shall furnish all of the following:

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

633 (2) Proof that he or she has successfully completed a
634 course in real estate approved by the commission, which shall
635 be a minimum of 60 clock hours.

636 (3) Any other information required by the commission.

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

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

643 ~~(g)~~ (h) If the applicant for a company or broker license
644 maintains more than one place of business in the state, he or



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645 she shall have a company or branch office license for each
646 separate ~~location~~company or branch office. Every application
647 shall state the location of the company or branch office and
648 the name of its qualifying broker. Each company or branch
649 office shall be under the direction and supervision of a
650 qualifying broker licensed at that address. No person may
651 serve as qualifying broker at more than one location. The
652 qualifying broker for the branch office and the qualifying
653 broker for the company shall share equal responsibility for
654 the real estate activities of all licensees assigned to the
655 branch office or company.

656 ~~(h)~~ (i) (1) No person shall be a qualifying broker for
657 more than one company or for a company and on his or her own
658 behalf unless he or she meets all of the following
659 requirements:

660 ~~(1)~~ a. All companies for which he or she is and proposes
661 to be the qualifying broker consent in writing.

662 ~~(2)~~ b. He or she files a copy of the written consent
663 with the commission.

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

667 (2) A person licensed under a qualifying broker may be
668 engaged by one or more companies with the same qualifying
669 broker.

670 (3) A person may utilize any office of a company under
671 which he or she is licensed.

672 ~~(i)~~ (j) A company license shall become invalid on the



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673 death or disability of a qualifying broker. Within 30 days
674 after the death or disability, the corporation, or the
675 remaining partners or the successor partnership, if any, may
676 designate another of its officers, members, or salespersons to
677 apply for a license as temporary qualifying broker. The person
678 designated as temporary qualifying broker shall either be a
679 broker or have been a salesperson for at least one year prior
680 to filing the application. If the application is granted, the
681 company may operate under that temporary qualifying broker for
682 no more than six months after the ~~death or disability of its~~
683 ~~former qualifying broker~~temporary qualifying broker license is
684 issued. Unless the company designates a fully licensed broker
685 as the qualifying broker within the six months, the company
686 license and all licenses under the company shall be classified
687 inactive by the commission after two weeks prior electronic
688 notice.

689 ~~(j)~~ (k) The commission shall require both state and
690 national criminal history background checks to issue a
691 license. Applicants shall submit required information and
692 fingerprints to the commission, Federal Bureau of
693 Investigation, Alabama State Law Enforcement Agency, or its
694 successor, or to a fingerprint processing service that may be
695 selected by the commission for this purpose. Criminal history
696 record information shall be provided to the commission from
697 both the State of Alabama and the Federal Bureau of
698 Investigation. The commission can use the provided criminal
699 history for the determination of the qualifications and
700 fitness of the applicant to hold a real estate license. The



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701 applicant shall assume the cost of the criminal history check.
702 The criminal history ~~must~~shall be current to the issuance of
703 the license.

704 ~~(*)~~ (1) The commission may charge a fee of ten dollars
705 (\$10) for furnishing any person a copy of a license,
706 certificate, or other official record of the commissioner."

707 Section 5. Section 34-27-32, Code of Alabama 1975, is
708 amended to read as follows:

709 "§34-27-32

710 (a) A license for a broker or a salesperson shall be
711 registered to a specific real estate office and shall be
712 issued only to, and held only by, a person who meets all of
713 the following requirements:

714 (1) Is trustworthy and competent to transact the
715 business of a broker or salesperson in a manner that
716 safeguards the interest of the public.

717 (2) Is a person whose application for real estate
718 licensure has not been rejected in any state on any grounds
719 other than failure to pass a written examination within the
720 two years prior to the application for real estate licensure
721 with Alabama. If the applicant's rejection for real estate
722 licensure in any state is more than two years from the date of
723 application for licensure with Alabama, then the applicant may
724 not be issued an Alabama real estate license without the
725 approval of the ~~commissioners~~commission.

726 (3) Is a person whose real estate license has not been
727 revoked in any state within the two years prior to application
728 for real estate licensure with Alabama. If the applicant's



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729 real estate licensure revocation in any state, including
730 Alabama, is more than two years from the date of application
731 for licensure with Alabama then the applicant may not be
732 issued an Alabama real estate license without the approval of
733 the ~~commissioners~~commission.

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

735 (5) Is a citizen of the United States or, if not a
736 citizen of the United States, a person who is legally present
737 in the United States with appropriate documentation from the
738 federal government, or is an alien with permanent resident
739 status.

740 (6) Is a person who, if a nonresident, agrees to sign
741 an affidavit stating the following and in the following form:

742 "I, as a nonresident applicant for a real estate
743 license and as a licensee, agree that the Alabama Real Estate
744 Commission shall have jurisdiction over me in any and all of
745 my real estate related activities the same as if I were an
746 Alabama resident licensee. I agree to be subject to
747 investigations and disciplinary actions the same as Alabama
748 resident licensees. Further, I agree that civil actions may be
749 commenced against me in any court of competent jurisdiction in
750 any county of the State of Alabama.

751 "I hereby appoint the Executive Director or the
752 Assistant Executive Director of the Alabama Real Estate
753 Commission as my agent upon whom all disciplinary, judicial,
754 or other process or legal notices may be served. I agree that
755 any service upon my agent shall be the same as service upon me
756 and that certified copies of this appointment shall be deemed



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757 sufficient evidence and shall be admitted into evidence with
758 the same force and effect as the original might be admitted. I
759 agree that any lawful process against me which is served upon
760 my agent shall be of the same legal force and validity as if
761 personally served upon me and that this appointment shall
762 continue in effect for as long as I have any liability
763 remaining in the State of Alabama. I understand that my agent
764 shall, within a reasonable time after service upon him or her,
765 mail a copy of the service by certified mail, return receipt
766 requested, to me at my last known business address.

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

770 _____ Legal Signature of Applicant"

771 (b) The commission may reject the application of any
772 person who has been convicted of or pleaded guilty or nolo
773 contendere to a felony or a crime involving moral turpitude.

774 ~~(b)~~ (c) (1) a. A person who holds a current real estate
775 salesperson license in another state, including persons who
776 move to and become residents of Alabama, shall apply for a
777 reciprocal salesperson license ~~on a form prescribed by the~~
778 ~~commission~~. A person who holds a current broker license in
779 another state, including persons who move to and become
780 residents of Alabama, shall apply for a reciprocal broker
781 license ~~on a form prescribed by the commission~~.

782 b. The applicant shall submit proof that he or she has
783 a current real estate license in another state as evidenced by
784 a certificate of licensure, together with any other



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785 information required by the commission. The applicant shall
786 also show proof that he or she has completed at least six
787 hours of course work in Alabama real estate which is approved
788 by the commission. Applicants for a reciprocal license shall
789 not be subject to the complete examination or temporary
790 license requirements of Section 34-27-33, but shall pass a
791 reasonable written examination prepared by the commission on
792 the subject of Alabama real estate. A person who holds a
793 reciprocal license shall show proof of completion of
794 continuing education either by meeting the requirements of
795 Section 34-27-35 or by showing proof that his or her other
796 state license remains active in that state.

797 c. The fees for issuance and renewal of a reciprocal
798 license shall be the same as those for original licenses
799 pursuant to Section 34-27-35. The recovery fund fee for
800 issuance of a reciprocal license shall be the same as for an
801 original license pursuant to Section 34-27-31.

802 (2) A person who holds a current Alabama license who
803 moves to and becomes a resident of the state shall within 10
804 days submit to the commission notice of change of address and
805 all other license status changes.

806 ~~(e)~~ (d) A person who does not hold a current real estate
807 broker license in another state desiring to be a real estate
808 broker in this state shall apply for a ~~broker's~~ broker license
809 ~~on a form prescribed by the commission which shall specify the~~
810 ~~real estate office to which he or she is registered.~~ Along
811 with the application, he or she shall submit all of the
812 following:



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

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

819 (3) Proof that he or she has ~~completed a course in real~~
820 ~~estate approved by the commission, which shall be a minimum of~~
821 ~~60 clock hours.~~met all of the following requirements:

822 a. Successfully completed a course in broker basics
823 approved by the commission.

824 b. Passed a license examination within 90 days after
825 completion of the broker basics course.

826 c. Within 90 days after passing the license
827 examination, successfully completed a course in professional
828 development approved by the commission.

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

830 ~~(d)~~ (e) A person who does not hold a current real estate
831 salesperson license in another state desiring to be a real
832 estate salesperson in this state shall apply for a
833 ~~salesperson's~~salesperson license with the commission ~~on a form~~
834 ~~prescribed by the commission which shall specify the real~~
835 ~~estate office to which he or she is registered.~~ Along with the
836 application he or she shall ~~furnish~~provide all of the
837 following:

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

840 (2) Proof that he or she has ~~successfully completed a~~



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841 ~~course in real estate approved by the commission, which shall~~
842 ~~be a minimum of 60 clock hours.~~ met all of the following
843 requirements:

844 a. Successfully completed a salesperson basics course
845 approved by the commission.

846 b. Passed a license examination within 90 days after
847 successfully completing the salesperson basics course.

848 c. Within 90 days after passing the license
849 examination, successfully completed a course approved by the
850 commission in salesperson professional development.

851 (3) The name of the applicant's qualifying broker,
852 along with the information required pursuant to Section
853 34-27-33.

854 ~~(3)~~ (4) Any other information required by the
855 commission.

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

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

862 ~~(g)~~ (h) If the applicant for a company or broker license
863 maintains more than one place of business in the state, he or
864 she shall have a company or branch office license for each
865 separate location ~~or branch office~~. Every application shall
866 state the location of the company or branch office and the
867 name of its qualifying broker. Each company or branch office
868 shall be under the direction and supervision of a qualifying



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869 broker licensed at that address. No person may serve as
870 qualifying broker at more than one location. The qualifying
871 broker for the branch office and the qualifying broker for the
872 company shall share equal responsibility for the real estate
873 activities of all licensees assigned to the branch office or
874 company.

875 ~~(h)~~ (i) (1) No person shall be a qualifying broker for
876 more than one company or for a company and on his or her own
877 behalf unless he or she meets all of the following
878 requirements:

879 ~~(1)~~ a. All companies for which he or she is and proposes
880 to be the qualifying broker consent in writing.

881 ~~(2)~~ b. He or she files a copy of the written consent
882 with the commission.

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

886 (2) A person licensed under a qualifying broker may be
887 engaged by one or more companies with the same qualifying
888 broker.

889 (3) A person may utilize any office of a company under
890 which he or she is licensed.

891 ~~(i)~~ (j) A company license shall become invalid on the
892 death or disability of a qualifying broker. Within 30 days
893 after the death or disability, the corporation, or the
894 remaining partners or the successor partnership, if any, may
895 designate another of its officers, members, or salespersons to
896 apply for a license as temporary qualifying broker. The person



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897 designated as temporary qualifying broker shall either be a
898 broker or have been a salesperson for at least one year prior
899 to filing the application. If the application is granted, the
900 company may operate under that temporary qualifying broker for
901 no more than six months after the ~~death or disability of its~~
902 ~~former qualifying broker~~temporary qualifying broker license is
903 issued. Unless the company designates a fully licensed broker
904 as the qualifying broker within the ~~six months~~six-month
905 period, the company license and all licenses under the company
906 shall be classified inactive by the commission after two weeks
907 prior electronic notice.

908 ~~(j)~~ (k) The commission shall require both state and
909 national criminal history background checks to issue a
910 license. Applicants shall submit required information and
911 fingerprints to the commission, Federal Bureau of
912 Investigation, Alabama State Law Enforcement Agency, or its
913 successor, or to a fingerprint processing service that may be
914 selected by the commission for this purpose. Criminal history
915 record information shall be provided to the commission from
916 both the State of Alabama and the Federal Bureau of
917 Investigation. The commission can use the provided criminal
918 history for the determination of the qualifications and
919 fitness of the applicant to hold a real estate license. The
920 applicant shall assume the cost of the criminal history check.
921 The criminal history ~~must~~shall be current to the issuance of
922 the license.

923 ~~(k)~~ (l) The commission may charge a fee of ten dollars
924 (\$10) for furnishing any person a copy of a license,



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925 certificate, or other official record of the
926 ~~commissioner~~commission."

927 Section 6. Section 34-27-33, Code of Alabama 1975, is
928 amended to read as follows:

929 "§34-27-33

930 (a) (1) ~~In addition to other requirements of this~~
931 ~~chapter~~Pursuant to Section 34-27-32, every applicant for a
932 ~~broker's~~broker or ~~salesperson's~~salesperson license shall
933 submit to a reasonable written examination. The commission
934 shall conduct examinations at places and times it prescribes.
935 The commission may contract with an independent testing agency
936 to prepare, grade, or conduct the examination.

937 (2) ~~Effective October 1, 2001, and thereafter, the~~The
938 fee for each examination and the provisions for payment and
939 forfeiture shall be as specified in the contract with the
940 independent testing agency.

941 (b) (1) In addition to the requirements of Section
942 34-27-32(e), within~~Within~~ 90 days after passing the
943 salesperson examination, the applicant shall secure a
944 qualifying broker. ~~and meet all requirements of this chapter~~
945 ~~and the board shall~~Upon notification that the applicant has
946 secured a qualifying broker, the commission shall issue a
947 temporary ~~an active~~ license or classify the license as
948 inactive.

949 (2) In order to obtain ~~an active~~a temporary license,
950 the applicant's qualifying broker shall acknowledge sign and
951 ~~submit~~ to the commission ~~a sworn statement~~ that the applicant
952 is in his or her opinion honest, trustworthy, and of good



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953 reputation, and that the broker accepts responsibility for the
954 actions of the salesperson as set out in Section 34-27-31. The
955 applicant's qualifying broker shall ~~be licensed in~~ hold an
956 active Alabama license.

957 (c) (1) On passing the salesperson examination and
958 complying with all other conditions for licensure, a temporary
959 salesperson license ~~certificate~~ shall be issued to the
960 applicant. The applicant is not licensed until he or she or
961 his or her qualifying broker actually receives the temporary
962 license ~~certificate. A temporary license shall be valid only~~
963 ~~for a period of one year following the first day of the month~~
964 ~~after its issuance.~~

965 (2) a. The holder of a temporary license shall not be
966 issued an original license until ~~he or she has satisfactorily~~
967 ~~completed a 30-hour post-license course prescribed by the~~
968 ~~commission~~ both of the following are submitted to the
969 commission:

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

973 2. A complete core competencies checklist on a form
974 prescribed by the commission and signed by the applicant's
975 qualifying broker.

976 b. If the ~~The~~ holder of a temporary license ~~must~~
977 ~~complete the course~~ fails to submit the application for an
978 original license with required documentation within ~~six~~
979 ~~months~~ 90 days ~~of~~ after issuance of his or her temporary
980 license, ~~and have his or her original license issued,~~



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981 ~~otherwise~~ his or her temporary license ~~certificate~~ shall
982 automatically be placed on inactive status by the commission.
983 ~~During the remaining six months his or her temporary license~~
984 ~~is valid, the holder of a temporary license may complete the~~
985 ~~course and have his or her original license issued. If the~~
986 ~~holder of a temporary license does not complete the course and~~
987 ~~have his or her original license issued within one year~~
988 ~~following the first day of the month after its issuance, the~~
989 ~~temporary license shall automatically expire and lapse. A~~
990 ~~temporary license is not subject to renewal procedures in this~~
991 ~~chapter and may not be renewed.~~

992 (d) (1) An inactive temporary license must be renewed
993 prior to the license renewal deadline if an original license
994 has not yet been issued. If a temporary license remains
995 inactive for more than three years, the licensee must retake
996 the salesperson professional development course prior to
997 activating the license.

998 ~~(3)~~ (2) In order to have the status of an inactive a
999 temporary license ~~issued~~ changed to active status, the
1000 applicant shall pay the Recovery Fund fee specified in this
1001 chapter. ~~The holder of a temporary license shall, upon~~
1002 ~~satisfactory completion of the course, pay the original~~
1003 ~~license fee specified in this chapter to have his or her~~
1004 ~~original license issued.~~ An applicant for an original license
1005 who has paid the Recovery Fund fee specified in this chapter
1006 shall not be required to pay another Recovery Fund fee in
1007 order to have his or her original license issued.

1008 ~~(4) The holder of an original license who has~~



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1009 ~~satisfactorily completed the postlicense course and whose~~
1010 ~~original license has been issued, shall not be subject to the~~
1011 ~~continuing education requirements in this chapter for the~~
1012 ~~first renewal of his or her original license.~~

1013 ~~(d) This section shall become effective for licenses~~
1014 ~~issued beginning October 1, 1993."~~

1015 Section 7. Section 34-27-34, Code of Alabama 1975, is
1016 amended to read as follows:

1017 "§34-27-34

1018 (a) (1) ~~A broker may serve as qualifying broker for a~~
1019 ~~salesperson or associate broker only if licensed in Alabama,~~
1020 ~~his or her principal business is that of a real estate broker,~~
1021 ~~and he or she shall be in a position to actually supervise the~~
1022 ~~real estate activities of the associate broker or salesperson~~

1023 ~~on a full-time basis.~~ A person licensed as a broker in another
1024 state who has reciprocally obtained a broker license in this
1025 state may serve as a qualifying broker over a salesperson or
1026 associate broker if all of the following apply:

1027 a. Real estate is his or her principal business.

1028 b. He or she is in a position to supervise the real
1029 estate activities of the associate broker or salesperson on a
1030 full-time basis.

1031 c. He or she has held an active broker license for at
1032 least 24 of the last 36 months.

1033 d. He or she satisfies all minimum experience and
1034 course requirements that the commission may adopt by rule.

1035 (2) A person licensed as a broker in this state who is
1036 not currently licensed as a broker in another state may serve



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1037 as qualifying broker over a salesperson or associate broker if
1038 all of the following apply:

1039 a. Real estate is his or her principal business.

1040 b. He or she is in a position to supervise the real
1041 estate activities of the associate broker or salesperson on a
1042 full-time basis.

1043 c. He or she has held an active broker license for at
1044 least 24 of the last 36 months.

1045 d. He or she has attended a qualifying broker training
1046 course approved by the commission. This course may be provided
1047 by the commission or other entities as designated by the
1048 commission.

1049 e. He or she satisfies all minimum experience
1050 requirements that the commission may adopt by rule.

1051 ~~(2)~~ (3) a. A salesperson or associate broker shall not
1052 perform acts for which a license is required unless licensed
1053 under a qualifying broker.

1054 b. A qualifying broker shall be held responsible to the
1055 commission and to the public for all acts governed by this
1056 chapter of each salesperson and associate broker licensed
1057 under him or her and of each company for which he or she is
1058 the qualifying broker. ~~It shall be the duty of the~~ The
1059 qualifying broker ~~to~~ shall see that all transactions of every
1060 licensee engaged by him or her or any company for which he or
1061 she is the qualifying broker comply with this chapter.

1062 c. A ~~Additionally, the~~ qualifying broker shall be
1063 responsible to an injured party for the damage caused by any
1064 violation of this chapter by any licensee engaged by the



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1065 qualifying broker. This subsection does not relieve a licensee
1066 from liability that he or she would otherwise have.

1067 ~~(3)~~d. The qualifying ~~brokers'~~broker's supervision
1068 responsibilities, as prescribed ~~herein~~in this section, over
1069 the real estate activities of associate brokers and
1070 salespersons licensed under him or her are not intended to
1071 create, and should not be construed as creating, an
1072 employer-employee relationship contrary to any expressed
1073 intent of the qualifying broker and licensee to the contrary.

1074 (b) (1) Any salesperson or associate broker who desires
1075 to change his or her qualifying broker shall give notice in
1076 writing to the commission, and shall send a copy of the notice
1077 to his or her qualifying broker. ~~The new qualifying broker~~
1078 ~~shall file with the commission a request for the transfer and~~
1079 ~~a statement assuming liability for the licensee.~~In order to
1080 transfer a license, the transferee's new qualifying broker
1081 shall acknowledge to the commission that in his or her opinion
1082 the transferee is honest, trustworthy, of good reputation, and
1083 that the broker accepts responsibility for the actions of the
1084 transferee under Section 34-27-33.

1085 (2) On payment of a fee of twenty-five dollars (\$25), a
1086 new license ~~certificate~~ shall be issued to the new qualifying
1087 broker on behalf of the salesperson or associate broker for
1088 the unexpired term of the original license. A fee of
1089 twenty-five dollars (\$25) shall also be charged for any of the
1090 following license changes:

1091 ~~(1)~~a. Change of qualifying broker by a company or sole
1092 proprietorship. The fee ~~is~~shall be paid for ~~the~~each license ~~or~~



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1093 ~~licenses~~ on which the current and new qualifying brokers'
1094 names appear. In cases where a company has a branch office or
1095 offices and the main office qualifying broker is changed, the
1096 fee is paid for each branch office license and for the license
1097 of each branch qualifying broker. The new qualifying broker
1098 shall notify the commission of this change, in writing, within
1099 30 days after the change.

1100 ~~(2)~~b. Change of personal name of a qualifying broker.
1101 The fee ~~is~~shall be paid for the license or licenses on which
1102 the current qualifying broker's name appears.

1103 ~~(3)~~c. Change of personal name of a salesperson or
1104 associate broker. The fee ~~is~~shall be paid for the license on
1105 which the name appears.

1106 ~~(4)~~d. Change of business location. The fee ~~is~~ shall be
1107 paid for the license or licenses on which the address appears.

1108 ~~(5)~~e. Change of business name. The fee ~~is~~ shall be paid
1109 for the license or licenses on which the name appears.

1110 ~~(6)~~f. Change of license status from inactive to active.
1111 The fee ~~is~~ shall be paid for each license being changed from
1112 inactive to active status. No fee is charged for the change
1113 from active to inactive status.

1114 (c) A ~~person~~qualifying broker who wishes to terminate
1115 his or her ~~status as qualifying broker~~responsibility for a
1116 licensee may do so by notifying the licensee and ~~the~~
1117 ~~commission in writing and sending the licensee's license~~
1118 ~~certificate to the commission or verifying in writing to the~~
1119 ~~commission that the certificate has been lost or destroyed~~
1120 placing the licensee's license on inactive status with the



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1121 commission.

1122 (d) ~~A person~~An individual who wishes to terminate his
1123 or her status as a qualifying broker for a company may do so
1124 by submitting written notice to the company, ~~or~~ qualifying
1125 broker of the parent company, and officers of the parent
1126 company ~~and the commission.~~

1127 (e) A salesperson or associate broker shall not perform
1128 any act for which a license is required after his or her
1129 association with his or her qualifying broker has been
1130 terminated, or if he or she changes qualifying brokers, until
1131 a new active license has been issued by the commission."

1132 Section 8. Section 34-27-35, Code of Alabama 1975, is
1133 amended to read as follows:

1134 "§34-27-35

1135 (a) The commission shall prescribe the form and content
1136 of license certificates issued. Each qualifying broker's
1137 license certificate shall show the name and business address
1138 of the broker. The license certificate of each active
1139 salesperson or associate broker shall show his or her name and
1140 address. The license certificate of each active salesperson or
1141 associate broker shall be delivered or mailed to his or her
1142 qualifying broker. Each license certificate shall be kept by
1143 the qualifying broker and shall be publicly displayed at the
1144 address which appears on the license certificate.

1145 (b) The commission ~~may~~shall establish a one-year or
1146 multi-year license period.

1147 (c) (1) The fee for a temporary license shall be one
1148 hundred fifty dollars (\$150). The original fee for a



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1149 ~~broker's~~broker license shall be one hundred fifty dollars
1150 (\$150) ~~and, beginning with the license period effective~~
1151 ~~October 1, 2002, the renewal fee for a broker's license shall~~
1152 ~~be seventy-five dollars (\$75) per year for each year of the~~
1153 ~~license period. The original fee for each salesperson's~~
1154 ~~license shall be sixty-five dollars (\$65) per year for each~~
1155 ~~year or portion of a year remaining in the respective license~~
1156 ~~period, and the renewal fee for each salesperson's license~~
1157 ~~shall be sixty-five dollars (\$65) per year for each year of~~
1158 ~~the license period. The original fee for each company license~~
1159 ~~shall be sixty-five dollars (\$65) per year for each year or~~
1160 ~~portion of a year remaining in the respective license period,~~
1161 ~~and the renewal fee for each license shall be sixty-five~~
1162 ~~dollars (\$65) per year for each year of the license period.~~

1163 (2) ~~Beginning with the license period effective October~~
1164 ~~1, 2004, the~~The renewal fee for a ~~broker's~~broker license shall
1165 be ninety-five dollars (\$95) per year for each year of the
1166 license period. The original fee for each
1167 ~~salesperson's~~salesperson license shall be eighty-five dollars
1168 (\$85) per year for each year or portion of a year remaining in
1169 the respective license period, and the renewal fee for each
1170 ~~salesperson's~~salesperson license shall be eighty-five dollars
1171 (\$85) per year for each year of the license period. The
1172 original fee for each company license shall be eighty-five
1173 dollars (\$85) per year for each year or portion of a year
1174 remaining in the respective license period, and the renewal
1175 fee for each license shall be eighty-five dollars (\$85) per
1176 year for each year of the license period.



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1177 (d) ~~(1)~~ The renewal research and education fee shall be
1178 ~~two~~seven dollars and fifty cents ~~(\$2.50)~~ (\$7.50) per year for
1179 each year of the license period and shall be paid at the time
1180 of license renewal by all brokers and salespersons in addition
1181 to the license renewal fees set out in this section.
1182 Collection of this fee shall apply to all broker and
1183 salesperson renewals, except that brokers who hold more than
1184 one ~~broker's~~broker license shall pay the fee for only one
1185 license at each renewal.

1186 ~~(2) Beginning June 1, 2014, this fee shall be seven~~
1187 ~~dollars and fifty cents (\$7.50), and the~~The proceeds shall be
1188 distributed to the Alabama Center for Real Estate.

1189 (e) The original research and education fee shall be
1190 thirty dollars (\$30) and shall be paid at the time of all
1191 applications received ~~on and after October 15, 1995,~~ for
1192 issuance of an original ~~broker's~~broker license, and shall be
1193 paid at the time of all applications received ~~on and after~~
1194 ~~October 15, 1995,~~ for issuance of a temporary
1195 ~~salesperson's~~salesperson license. The original research and
1196 education fee shall also be paid by reciprocal salespersons.
1197 This is in addition to the original license fees set out in
1198 this section. This thirty dollar (\$30) original research and
1199 education fee is a one-time fee which no person shall be
1200 required to pay more than once.

1201 (f) The license of a salesperson who is subsequently
1202 issued a ~~broker's~~broker license automatically terminates upon
1203 the issuance of his or her ~~broker's~~broker license certificate.
1204 The ~~salesperson's~~salesperson license certificate shall be



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1205 returned to the commission in order for a ~~broker's~~broker
1206 license to be issued. No refund shall be made of any fee or
1207 Recovery Fund deposit pertaining to the ~~salesperson's,~~
1208 ~~broker's, or company's~~salesperson, broker, or company license
1209 once it has been in effect.

1210 (g) The commission shall prescribe a license renewal
1211 form, which shall accompany renewal fees ~~which~~and shall be
1212 filed on or before August 31 of the final year of each license
1213 period in order for the respective license to be renewed on a
1214 timely basis for the following license period. If any of the
1215 foregoing are filed during the period from September 1 through
1216 September 30 of the final year of a license period, the one
1217 hundred fifty dollar (\$150) penalty set out below shall be
1218 paid in addition to the renewal fees. Failure to meet this
1219 September 30 deadline shall result in the license being placed
1220 on inactive status on the following October 1, and the license
1221 shall be subject to all reactivation requirements.
1222 Reactivations shall be processed in the order received as
1223 evidenced by postmark or delivery date. Certified or
1224 registered mail may be used for reactivation in these cases.
1225 Licensees filing during the period from September 1 of the
1226 final year of a license period through September 30 of the
1227 initial year of a license period shall pay the required
1228 license fee, plus a penalty of one hundred fifty dollars
1229 (\$150).

1230 (h) The renewal form shall be mailed by the commission
1231 to the licensee's place of business, if an active licensee, or
1232 to his or her residence, if an inactive licensee, prior to



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1233 August 1 of the final year of each license period. Each
1234 licensee shall notify the commission in writing of any change
1235 in his or her business or residence address within 30 days of
1236 the change.

1237 (i) Every license shall expire at midnight on September
1238 30 of the final year of each license period. An expired
1239 license may be renewed during the 12-month period following
1240 the license period for which the license was current. A
1241 licensee who fails to renew before the end of the 12-month
1242 period ~~following the license period for which the license was~~
1243 ~~issued~~ has ~~a lapsed~~ an expired license, and shall be subject to
1244 all requirements applicable to persons who have never been
1245 licensed, however, the commission may upon determination of
1246 hardship, allow later renewal upon payment of all fees and
1247 penalties. An inactive license must be renewed in the same
1248 manner as an active license.

1249 (j) (1) a. Each applicant for renewal of an active
1250 salesperson or broker license issued by the commission ~~shall~~,
1251 on or before September 30 of the final year of each license
1252 period, shall submit proof of completion of not less than 15
1253 clock hours of approved continuing education course work to
1254 the commission, in addition to any other requirements for
1255 renewal. Failure to meet this deadline shall result in the
1256 license being placed on inactive status on the following
1257 October 1, and the license shall be subject to all
1258 reactivation requirements. Reactivations shall be processed in
1259 the order received as evidenced by postmark or delivery date.
1260 Certified or registered mail may be used for reactivation in



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1261 this case. Proof of attendance at the course work, ~~whether or~~
1262 ~~not the applicant attained a passing grade in the course,~~
1263 shall be sufficient to satisfy requirements for renewal. The
1264 15 clock hours' course work requirement shall apply to each
1265 two-year license renewal, and hours in excess of 15 shall not
1266 be cumulated or credited for the purpose of subsequent license
1267 renewals. The commission shall develop standards for approval
1268 of courses, and shall require certification of the course work
1269 of the applicant.

1270 b. Time served as a member of the state Legislature
1271 during each license renewal period shall be deemed the
1272 equivalent of the 15 hours course work and shall satisfy the
1273 requirements of this subsection.

1274 (2) This section shall apply to renewals of licenses
1275 ~~which~~that expire after September 30, 1986. An applicant for
1276 first renewal who has been licensed for not more than one year
1277 shall not be required to comply with this section for the
1278 first renewal of the applicant's license. Any licensee
1279 reaching the age of 65 on or before September 30, 2000, and
1280 having been licensed 10 years prior to that date shall be
1281 exempt from this section.

1282 (3) Continuing education shall not result in a passing
1283 or failing grade.

1284 (k) A licensee may request that the commission issue
1285 his or her license ~~to~~in an inactive status. Inactive licenses
1286 shall be held at the commission office until activated. No act
1287 for which a license is required shall be performed under an
1288 inactive license.



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1289 (1) If a licensee presents a form of payment to the
1290 commission, or to any third party on the commission's behalf,
1291 which is declined or rejected by a financial institution or
1292 merchant service company, the licensee shall have 30 days upon
1293 electronic notification from the commission to submit full and
1294 valid payment for the initial fee or fine and an additional
1295 fee for submitting the faulty payment, not to exceed the
1296 maximum amount allowed by Section 8-8-15. Failure to submit
1297 full and valid payment within 30 days of electronic
1298 notification by the commission will result in the license
1299 becoming inactive. Failure to submit full and valid payment
1300 within six months after electronic notification by the
1301 commission will result in expiration of the license."

1302 Section 9. Section 34-27-35, Code of Alabama 1975, is
1303 amended to read as follows:

1304 "§34-27-35

1305 (a) The commission shall prescribe the form and content
1306 of license certificates issued. Each qualifying broker's
1307 license certificate shall show the name and business address
1308 of the broker. The license certificate of each active
1309 salesperson or associate broker shall show his or her name and
1310 address. The license certificate of each active salesperson or
1311 associate broker shall be delivered or mailed to his or her
1312 qualifying broker. Each license certificate shall be kept by
1313 the qualifying broker and shall be publicly displayed at the
1314 address which appears on the license certificate.

1315 (b) The commission ~~may~~shall establish a one-year or
1316 multi-year license period.



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1317 (c) (1) The fee for a temporary license shall be one
1318 hundred fifty dollars (\$150). The original fee for a
1319 ~~broker's~~broker license shall be one hundred fifty dollars
1320 (\$150) ~~and, beginning with the license period effective~~
1321 ~~October 1, 2002, the renewal fee for a broker's license shall~~
1322 ~~be seventy-five dollars (\$75) per year for each year of the~~
1323 ~~license period. The original fee for each salesperson's~~
1324 ~~license shall be sixty-five dollars (\$65) per year for each~~
1325 ~~year or portion of a year remaining in the respective license~~
1326 ~~period, and the renewal fee for each salesperson's license~~
1327 ~~shall be sixty-five dollars (\$65) per year for each year of~~
1328 ~~the license period. The original fee for each company license~~
1329 ~~shall be sixty-five dollars (\$65) per year for each year or~~
1330 ~~portion of a year remaining in the respective license period,~~
1331 ~~and the renewal fee for each license shall be sixty-five~~
1332 ~~dollars (\$65) per year for each year of the license period.~~

1333 (2) ~~Beginning with the license period effective October~~
1334 ~~1, 2004, the~~The renewal fee for a ~~broker's~~broker license shall
1335 be ninety-five dollars (\$95) per year for each year of the
1336 license period. The original fee for each
1337 ~~salesperson's~~salesperson license shall be eighty-five dollars
1338 (\$85) per year for each year or portion of a year remaining in
1339 the respective license period, and the renewal fee for each
1340 ~~salesperson's~~salesperson license shall be eighty-five dollars
1341 (\$85) per year for each year of the license period. The
1342 original fee for each company license shall be eighty-five
1343 dollars (\$85) per year for each year or portion of a year
1344 remaining in the respective license period, and the renewal



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1345 fee for each license shall be eighty-five dollars (\$85) per
1346 year for each year of the license period.

1347 (d) ~~(1)~~ The renewal research and education fee shall be
1348 ~~two~~seven dollars and fifty cents ~~(\$2.50)~~ (\$7.50) per year for
1349 each year of the license period and shall be paid at the time
1350 of license renewal by all brokers and salespersons in addition
1351 to the license renewal fees set out in this section.
1352 Collection of this fee shall apply to all broker and
1353 salesperson renewals, except that brokers who hold more than
1354 one ~~broker's~~broker license shall pay the fee for only one
1355 license at each renewal.

1356 ~~(2) Beginning June 1, 2014, this fee shall be seven~~
1357 ~~dollars and fifty cents (\$7.50), and the~~The proceeds shall be
1358 distributed to the Alabama Center for Real Estate.

1359 (e) The original research and education fee shall be
1360 thirty dollars (\$30) and shall be paid at the time of all
1361 applications received ~~on and after October 15, 1995,~~ for
1362 issuance of an original ~~broker's~~broker license, and shall be
1363 paid at the time of all applications received ~~on and after~~
1364 ~~October 15, 1995,~~ for issuance of a temporary
1365 ~~salesperson's~~salesperson license. The original research and
1366 education fee shall also be paid by reciprocal salespersons.
1367 This is in addition to the original license fees set out in
1368 this section. This thirty dollar (\$30) original research and
1369 education fee is a one-time fee which no person shall be
1370 required to pay more than once.

1371 (f) The license of a salesperson who is subsequently
1372 issued a ~~broker's~~broker license automatically terminates upon



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1373 the issuance of his or her ~~broker's~~broker license~~-certificate~~.
1374 ~~The salesperson's license certificate shall be returned to the~~
1375 ~~commission in order for a broker's license to be issued.~~ No
1376 refund shall be made of any fee or Recovery Fund deposit
1377 pertaining to the ~~salesperson's, broker's, or~~
1378 ~~company's~~salesperson, broker, or company license once it has
1379 been in effect.

1380 (g) The commission shall prescribe a license renewal
1381 form, ~~which~~ that shall accompany renewal fees and ~~which~~ that
1382 shall be filed on or before ~~August 31~~September 30 of the final
1383 year of each license period in order for the respective
1384 license to be renewed on a timely basis for the following
1385 license period. ~~If any of the foregoing are filed during the~~
1386 ~~period from September 1 through September 30 of the final year~~
1387 ~~of a license period, the one hundred fifty dollar (\$150)~~
1388 ~~penalty set out below shall be paid in addition to the renewal~~
1389 ~~fees.~~ Failure to meet this September 30 deadline shall result
1390 in the license expiring and being placed on inactive status on
1391 ~~the following~~ October 1, and the license shall be subject to
1392 all reactivation requirements. ~~Reactivations shall be~~
1393 ~~processed in the order received as evidenced by postmark or~~
1394 ~~delivery date. Certified or registered mail may be used for~~
1395 ~~reactivation in these cases.~~ Licensees filing ~~during the~~
1396 ~~period from September 1 of the final year of a license period~~
1397 ~~through~~after September 30 of the initial year of a license
1398 period shall pay the required license fee, plus a penalty of
1399 one hundred fifty dollars (\$150).

1400 (h) ~~The renewal form shall be mailed by the commission~~



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1401 ~~to the licensee's place of business, if an active licensee, or~~
1402 ~~to his or her residence, if an inactive licensee, prior to~~
1403 ~~August 1 of the final year of each license period.~~ Each
1404 licensee shall notify the commission in writing of any change
1405 in his or her business or residence address within 30 days of
1406 the change.

1407 (i) Every license shall expire at midnight on September
1408 30 of the final year of each license period, except for a
1409 temporary license of a salesperson whose license becomes
1410 inactive 90 days after issuance or a temporary broker whose
1411 license expires six months after issuance. An expired license
1412 may be renewed during the 12-month period following the
1413 license period for which the license was current. A licensee
1414 who fails to renew before the end of the 12-month period
1415 following the license period for which the license was issued
1416 has a lapsed license, and shall be subject to all requirements
1417 applicable to persons who have never been licensed, however,
1418 the commission may upon determination of hardship, allow later
1419 renewal upon payment of all fees and penalties. An inactive
1420 license must be renewed in the same manner as an active
1421 license.

1422 (j) (1) Each applicant for renewal of an active
1423 salesperson or broker license issued by the commission ~~shall,~~
1424 on or before September 30 of the final year of each license
1425 period, ~~submit~~ shall confirm through the commission's website
1426 proof of completion of ~~not less than 15 clock~~ his or her
1427 continuing education requirement hours of approved continuing
1428 education course work ~~to the commission,~~ in addition to any



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1429 other requirements for renewal. A maximum of six 60 minute
1430 courses shall be accepted by the commission as part of a
1431 licensee's continuing education requirement. Failure to meet
1432 this deadline shall result in the license being placed on
1433 inactive status on the following October 1, and the license
1434 shall be subject to all reactivation requirements.

1435 ~~(2) a. Reactivations shall be processed in the order~~
1436 ~~received as evidenced by postmark or delivery date. Certified~~
1437 ~~or registered mail may be used for reactivation in this case.~~
1438 Proof of ~~attendance at the~~completion of course work, whether
1439 or not the applicant attained a passing grade in the course,
1440 shall be sufficient to satisfy requirements for renewal. The
1441 ~~15 clock hours' course work~~continuing education requirement
1442 shall apply to each two-year license renewal, and hours in
1443 excess of 15 shall not be ~~cumulated or credited for the~~
1444 ~~purpose of~~applicable to subsequent license renewals. The
1445 commission shall develop standards for approval of courses,
1446 and shall require certification of the course work of the
1447 applicant. No continuing education course shall be approved by
1448 the commission unless the course is at least 60 minutes of
1449 instruction.

1450 b. Time served as a member of the state Legislature
1451 during each license renewal period shall be deemed the
1452 equivalent of the ~~15 hours course work~~continuing education
1453 requirement and shall satisfy the requirements of this
1454 subsection.

1455 ~~(3) (2) This section shall apply to renewals of licenses~~
1456 ~~which expire after September 30, 1986.~~ An applicant for first



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1457 renewal of an original license who has been licensed for not
1458 more than one year shall not be required to comply with this
1459 section for the first renewal of the applicant's license. ~~Any~~
1460 ~~licensee reaching the age of 65 on or before September 30,~~
1461 ~~2000, and having been licensed 10 years prior to that date~~
1462 ~~shall be exempt from this section.~~

1463 ~~(3)~~ (4) Continuing education shall not result in a
1464 passing or failing grade.

1465 (k) A licensee may request that the commission issue
1466 his or her license ~~to~~ in an inactive status. Inactive licenses
1467 shall be held at the commission office until activated. No act
1468 for which a license is required shall be performed under an
1469 inactive license.

1470 (1) If a licensee presents a form of payment to the
1471 commission, or to any third party on the commission's behalf,
1472 which is declined or rejected by a financial institution or
1473 merchant service company, the licensee shall have 30 days upon
1474 electronic notification from the commission to submit full and
1475 valid payment for the initial fee or fine and an additional
1476 fee for submitting the faulty payment, not to exceed the
1477 maximum amount allowed by Section 8-8-15. Failure to submit
1478 full and valid payment within 30 days of electronic
1479 notification by the commission will result in the license
1480 becoming inactive. Failure to submit full and valid payment
1481 within six months after electronic notification by the
1482 commission will result in the license lapsing."

1483 Section 10. Section 34-27-36, Code of Alabama 1975, is
1484 amended to read as follows:



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1485 "§34-27-36

1486 (a) (1) The commission or its staff may on its own, or
1487 on the verified complaint in writing of any person,
1488 investigate the actions and records of a licensee. The
1489 commission may issue subpoenas and compel the testimony of
1490 witnesses and the production of records and documents during
1491 an investigation. If probable cause is found, a formal
1492 complaint shall be filed and the commission shall hold a
1493 hearing on the formal complaint.

1494 (2) In each instance in which a person or entity
1495 engages in any of the acts described in subsection (b) or is
1496 found in violation of any of the conduct prohibited in
1497 subsection (b), the commission may impose any of the following
1498 penalties:

1499 a. Impose a fine of not less than one hundred dollars
1500 (\$100) nor more than five thousand dollars (\$5,000).

1501 b. Require completion of approved education course or
1502 courses in addition to the existing continuing education
1503 requirements.

1504 c. Issue a public reprimand.

1505 d. Revoke or suspend any or all licenses held under
1506 this chapter by the person or entity. ~~The commission shall~~
1507 ~~revoke or suspend the license or impose a fine of not less~~
1508 ~~than one hundred dollars (\$100) nor more than two thousand~~
1509 ~~five hundred dollars (\$2,500), or both, or reprimand the~~
1510 ~~licensee in each instance in which the licensee is found~~
1511 ~~guilty of any of the following acts set out in this section.~~
1512 ~~The commission may revoke or suspend a license~~



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1513 e. Suspend until such time as the licensee has either
1514 completed an approved continuing education course, has ~~and/or~~
1515 made restitution to accounts containing funds to be held for
1516 other parties, or both. The commission may also stay the
1517 revocation or suspension of a license and either require
1518 completion of an approved education course ~~and/or~~, require the
1519 making of restitution to accounts containing funds to be held
1520 for other parties, or both.

1521 (b) A licensee is prohibited from doing any of the
1522 following:

1523 (1) Procuring or attempting to procure~~r~~ a license~~r~~ for
1524 himself or herself or another, by fraud, misrepresentation, or
1525 deceit, or by making a material misstatement of fact in an
1526 application for a license.

1527 (2) Engaging in misrepresentation or dishonest or
1528 fraudulent acts when selling, buying, trading, or renting real
1529 property of his or her own or of a spouse or child or parent.

1530 (3) Making a material misrepresentation, or failing to
1531 disclose to a potential purchaser or lessee any latent
1532 structural defect or any other defect known to the licensee.
1533 Latent structural defects and other defects do not refer to
1534 trivial or insignificant defects but refer to those defects
1535 that would be a significant factor to a reasonable and prudent
1536 person in making a decision to purchase or lease.

1537 (4) Making any false promises of a character likely to
1538 influence, persuade, or induce any person to enter into any
1539 contract or agreement.



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1540 (5) Pursuing a continued and flagrant course of
1541 misrepresentation or the making of false promises through
1542 agents or salespersons or any medium of advertising or
1543 otherwise.

1544 (6) Publishing or causing to be published any
1545 advertisement which deceives or which is likely to deceive the
1546 public, or which in any manner tends to create a misleading
1547 impression ~~or which fails to identify the person causing the~~
1548 ~~advertisement to be placed as a licensed broker or~~
1549 ~~salesperson.~~

1550 (7) Acting for more than one party in a transaction
1551 without the knowledge and consent in writing of all parties
1552 for whom he or she acts.

1553 (8)a. Failing, within a reasonable time, to properly
1554 account for or remit money coming into his or her possession
1555 which belongs to others, or commingling money belonging to
1556 others with his or her own funds.

1557 b. Failing to deposit and account for at all times all
1558 funds belonging to, or being held for others, in a separate
1559 federally insured account or accounts in a financial
1560 institution located in Alabama.

1561 c. Failing to keep for at least three years a complete
1562 record of funds belonging to others showing to whom the money
1563 belongs, date deposited, date of withdrawal, and other
1564 pertinent information.

1565 (9) Placing a sign on any property offering it for
1566 sale, lease, or rent without the consent of the owner.

1567 (10) Failing to voluntarily furnish a copy of each



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1568 listing, contract, lease, and other document to each party
1569 executing the document with reasonable promptness.

1570 (11) Paying any profit, compensation, commission, or
1571 fee to, or dividing any profit, compensation, commission, or
1572 fee with, anyone other than a licensee or multiple listing
1573 service. This subdivision shall not prevent an associate
1574 broker or salesperson from owning any lawfully constituted
1575 business organization, including, but not limited to, a
1576 corporation or limited liability company or limited liability
1577 corporation, for the purpose of receiving payments
1578 contemplated in this subsection. The business organization
1579 shall not be required to be licensed under this chapter, and
1580 shall not engage in any other activity requiring a real estate
1581 license.

1582 (12) Paying or receiving any rebate from any person in
1583 a real estate transaction.

1584 (13) Inducing any party to a contract to ~~break~~breach
1585 the contract for the purpose of substituting a new contract,
1586 where the substitution is motivated by the personal gain of
1587 the licensee.

1588 (14) If the licensee is a salesperson or associate
1589 broker, accepting a commission or other valuable consideration
1590 for performing any act for which a license is required from
1591 any person or company except his or her qualifying broker or
1592 company.

1593 (15) If the licensee is a qualifying broker or company,
1594 allowing a salesperson or associate broker licensed under him
1595 or her to advertise himself or herself as a real estate agent



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1596 without the name or trade name of the qualifying broker or
1597 company appearing prominently on the advertising; or if the
1598 licensee is a salesperson or associate broker, advertising
1599 himself or herself as a real estate agent without the name or
1600 trade name of the qualifying broker or company under whom the
1601 salesperson or associate broker is licensed appearing
1602 prominently on the advertising. For purposes of this
1603 subdivision, "prominently" means use of a font size that is
1604 equal to or larger in size than any other text or logo in the
1605 advertisement and situated and sized for the purpose of
1606 gaining the attention of consumers viewing the advertisement.

1607 (16) ~~Presenting to the commission, as payment for a fee~~
1608 ~~or fine, a check that is returned unpaid.~~ As the licensee
1609 working with the buyer, failing to notify the licensee working
1610 with the seller or the unrepresented seller in writing within
1611 three business days in the event that the buyer has not
1612 deposited earnest money pursuant to a contract requiring the
1613 buyer to deposit escrow funds with any individual or entity.

1614 b. As the licensee working with the seller, failing to
1615 notify the seller within 24 hours after the licensee receives
1616 notice that escrow funds have not been deposited pursuant to
1617 the terms of the contract.

1618 (17) Establishing an association, by employment or
1619 otherwise, with an unlicensed person who is expected or
1620 required to act as a licensee, or aiding, abetting, or
1621 conspiring with a person to circumvent the requirements of
1622 this chapter.

1623 (18) Failing to disclose to an owner the licensee's



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1624 intention to acquire, directly or indirectly, an interest in
1625 property which he or she or his or her associates have been
1626 employed to sell.

1627 (19) Violating or disregarding any provision of this
1628 chapter or any rule, regulation, or order of the commission.

1629 (20) ~~If a broker, accepting~~Accepting a "net listing"
1630 agreement for sale of real property or any interest therein. A
1631 "net listing" is one that stipulates a net price to be
1632 received by the owner with the excess due to be received by
1633 the broker as his or her commission and the licensee is not a
1634 buyer, seller, or assigning buyer in the subject property.

1635 (21) Misrepresenting or failing to disclose to any
1636 lender, guaranteeing agency, or any other interested party,
1637 the true terms of a sale of real estate.

1638 (22) Failing to inform the buyer or seller at the time
1639 an offer is presented that he or she will be expected to pay
1640 certain closing costs and the approximate amount of those
1641 costs.

1642 (23)a. Having entered a plea of guilty or nolo
1643 contendere to, or having been found guilty of or convicted of
1644 a felony or a crime involving moral turpitude.

1645 b. Having a final money judgment rendered against him
1646 or her which results from an act or omission occurring in the
1647 pursuit of his or her real estate business or involves the
1648 goodwill of an existing real estate business.

1649 (24) Offering free lots or conducting lotteries for the
1650 purpose of influencing a party to purchase or lease real
1651 estate.



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1652 (25) a. Failing to ~~include a fixed date of expiration in~~
1653 ~~a written listing agreement or failing to~~ leave a copy of the
1654 written residential listing agreement or written residential
1655 property management agreement with the principal.

1656 b. Failing to include a fixed date of expiration not to
1657 exceed one year from the date of commencement in a written
1658 residential listing agreement, which can be extended in
1659 writing for up to one year, if signed by all parties.

1660 c. Recording or filing a residential listing agreement
1661 with a probate court or probate office to encumber the
1662 property that is the subject of the listing agreement.

1663 (26) Conduct which constitutes or demonstrates
1664 dishonest dealings, bad faith, or untrustworthiness.

1665 (27) Acting negligently or incompetently in performing
1666 an act for which a person is required to hold a real estate
1667 license.

1668 (28) Failing or refusing on demand to produce a
1669 document, book, or record in his or her possession concerning
1670 a real estate transaction conducted by him or her for
1671 inspection by the commission or its authorized personnel or
1672 representative.

1673 (29) Failing within a reasonable time to provide
1674 information requested by the commission during an
1675 investigation or after a formal complaint has been filed.

1676 (30) Failing without cause to surrender to the rightful
1677 owner, on demand, a document or instrument coming into his or
1678 her possession.

1679 (31) If the licensee is a qualifying broker or company,



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1680 failing to keep ~~in their files~~ copies of all contracts,
1681 leases, listings, and other records pertinent to real estate
1682 transactions for a period of three years.

1683 (32) When selling, offering to sell, assigning, or
1684 offering to assign an equitable interest in a contract to
1685 purchase residential real estate:

1686 a. Failing to disclose in writing to a potential buyer
1687 that the holder of the equitable interest is not the deed
1688 holder of the property and is only offering to sell or assign
1689 his or her equitable interest; or

1690 b. Failing to disclose in writing to a seller both of
1691 the following:

1692 1. The intent to assign an equitable interest in the
1693 seller's real estate prior to offering to assign the interest.

1694 2. The assignment of the interest within three calendar
1695 days following the assignment.

1696 c. Failing to include a fixed date of closing with no
1697 automatic extension in the contract that establishes the
1698 equitable interest.

1699 ~~(b)~~ (c) If it appears that a person, ~~firm, corporation,~~
1700 or ~~any~~ business entity has engaged, or is about to engage, in
1701 an act or practice constituting a violation of Article 1 or 2
1702 of this chapter or any rule or order of the commission, the
1703 commission, through the Attorney General, may institute legal
1704 actions to enjoin the act or practice and to enforce
1705 compliance with Articles 1 and 2 of this chapter or any rule
1706 or order of the commission. To prevail in an action, it shall
1707 not be necessary to allege or prove either that an adequate



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1708 remedy at law does not exist or that substantial or
1709 irreparable damage would result from the continued violation.

1710 ~~(e)~~ (d) (1) Notwithstanding any other provisions of law,
1711 the commission may issue an order requiring any accused
1712 person, firm, corporation, or business entity to cease and
1713 desist from engaging in activities requiring a license under
1714 this chapter when the accused person, firm, corporation, or
1715 business entity is not licensed under this chapter. The order
1716 shall be entered by the executive director after a finding of
1717 probable cause by the commission staff. The order shall become
1718 final 15 days after its service upon the accused, unless the
1719 accused requests a hearing before the commission. Upon hearing
1720 the case and finding violations, the commission may make the
1721 cease and desist order final and the commission may impose a
1722 fine for each violation in an amount consistent with the range
1723 of fines applicable to licensees, and in addition, may impose
1724 a fine in the amount of any gain or economic benefit that was
1725 derived from the violation, and in addition, may impose a fine
1726 in the amount of the commission's costs incurred. Any fines
1727 not paid as ordered shall be enforceable in any court with
1728 competent jurisdiction and proper venue.

1729 (2) Notwithstanding any other provisions of law, the
1730 commission may decline to issue an order requiring any accused
1731 person, firm, corporation, or business entity to cease and
1732 desist from engaging in activities requiring a license under
1733 this chapter when the accused person, firm, corporation, or
1734 business entity is not licensed under this chapter. In this
1735 instance, the commission shall proceed to give appropriate



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1736 notice of the violations and hold a hearing thereon. Upon
1737 hearing the case and finding violations, the commission may
1738 impose a fine for each violation in an amount consistent with
1739 the range of fines applicable to licensees, and in addition,
1740 may impose a fine in the amount of any gain or economic
1741 benefit that was derived from the violation, and in addition,
1742 may impose a fine in the amount of the commission's costs
1743 incurred. Any fine or fines not paid as ordered shall be
1744 enforceable in any court with competent jurisdiction and
1745 proper venue.

1746 ~~(d)~~ (e) The commission shall notify the licensee and
1747 qualifying broker in writing regarding the complaint.

1748 ~~(e)~~ (f) The commission shall notify the complainant,
1749 licensee, and qualifying broker in writing regarding the
1750 disposition of the complaint."

1751 Section 11. Sections 34-27-81, 34-27-82, 34-27-83,
1752 34-27-84, 34-27-85, and 34-27-86, Code of Alabama 1975, are
1753 amended to read as follows:

1754 "§34-27-81

1755 As used in this article, the following words ~~shall~~ have
1756 the following meanings:

1757 (1) AGENCY AGREEMENT. A written agreement between a
1758 broker and a client which creates a fiduciary relationship
1759 between the broker and a ~~principal, who is commonly referred~~
1760 ~~to as a client~~ consumer.

1761 (2) BROKER. Any person licensed as a real estate broker
1762 pursuant to Articles 1 and 2 of this chapter.

1763 (3) BROKERAGE AGREEMENT. A specific written agreement



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1764 between a ~~brokerage firm~~real estate company and a consumer
1765 which establishes a brokerage relationship. The brokerage
1766 agreement shall contain a statement of the terms and
1767 conditions of the brokerage services to be provided.

1768 (4) BROKERAGE SERVICE. Any service, except for rental
1769 or property management services, provided by a broker or
1770 licensee to another person and includes all activities for
1771 which a real estate license is required under Articles 1 and 2
1772 of this chapter.

1773 (5) ~~CONSUMER. A person who obtains information, advice,~~
1774 ~~or services concerning real estate from a real estate~~
1775 ~~licensee~~CLIENT. A person who has an agency agreement with a
1776 broker for brokerage service, whether he or she is the buyer
1777 or seller.

1778 (6) ~~CLIENT. A person who has an agency agreement with a~~
1779 ~~broker for brokerage service, whether he or she be buyer or~~
1780 ~~seller~~CONSUMER. A person who obtains information, advice, or
1781 services concerning real estate from a real estate licensee.

1782 (7) CUSTOMER. A person who is provided brokerage
1783 services by a broker or licensee but who is not a client of
1784 the broker.

1785 (8) DESIGNATED SINGLE AGENT. An agency agreement in
1786 which two or more licensed individuals under the same
1787 qualifying broker each represent a different party in the
1788 transaction, as designated by the qualifying broker. In this
1789 circumstance, neither the qualifying broker nor other
1790 licensees involved in the transaction shall be assumed to have
1791 imputed knowledge.



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1792 ~~(8)~~ (9) DUAL AGENCY. An agency ~~relationship~~agreement in
1793 which ~~the same brokerage firm~~a licensee, with informed written
1794 consent of all parties to a transaction, represents both the
1795 seller and the buyer in the same real estate transaction once
1796 all parties have signed the agreement. ~~Circumstances which~~
1797 ~~establish a dual agency include, but are not limited to, one~~
1798 ~~of the following:~~

1799 a. ~~When two or more licensees licensed under the same~~
1800 ~~broker each represent a different party to the transaction.~~

1801 b. ~~When one licensee represents both the buyer and~~
1802 ~~seller in a real estate transaction.~~

1803 (10) IMPUTED KNOWLEDGE. Knowledge attributed to a party
1804 because of his or her position, relationship to another party,
1805 or responsibility for another party.

1806 ~~(9)~~ (11) INFORMED CONSENT. A consumer's agreement to
1807 allow something to happen which is based upon full disclosure
1808 of facts needed to choose appropriate brokerage services.

1809 ~~(10)~~ (12) LICENSEE. Any broker, salesperson, or company.

1810 ~~(11) LIMITED CONSENSUAL DUAL AGENT. A licensee who,~~
1811 ~~with the written informed consent of all parties to a~~
1812 ~~contemplated real estate transaction, is engaged as an agent~~
1813 ~~for both the buyer and seller. Circumstances which establish~~
1814 ~~dual agency include, but are not limited to, one of the~~
1815 ~~following:~~

1816 a. ~~When two or more licensees licensed under the same~~
1817 ~~broker each represent a different party to the transaction.~~

1818 b. ~~When one licensee represents both the buyer and~~
1819 ~~seller in a real estate transaction.~~



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1820 ~~(12)~~ (13) MATERIAL FACT. A fact that is of significance
1821 to a reasonable party which affects the party's decision to
1822 enter into a real estate contract.

1823 ~~(13)~~ (14) QUALIFYING BROKER. A broker under whom a
1824 corporation, partnership, branch office, or lawfully
1825 constituted business organization, as the Legislature may from
1826 time to time provide, is licensed, or a broker licensed to do
1827 business as a sole proprietorship who is responsible for
1828 supervising the acts of the company, or proprietorship and all
1829 real estate licensees licensed therewith.

1830 ~~(14)~~ (15) REAL ESTATE TRANSACTION. The purchase, sale,
1831 lease and rental, option, or exchange of an interest in real
1832 estate.

1833 ~~(15)~~ (16) SINGLE AGENT. A licensee who has an agency
1834 agreement and is engaged by and represents only one party in a
1835 real estate transaction. A single agent ~~includes, but is not~~
1836 ~~limited to, one~~ may be only one of the following:

1837 a. Buyer's agent, which means a broker or licensee who
1838 is engaged by and represents only the buyer in a real estate
1839 transaction.

1840 b. Seller's agent, which means a broker or licensee who
1841 is engaged by and represents only the seller in a real estate
1842 transaction.

1843 ~~(16) SUB-AGENT. A licensee who is empowered to act for~~
1844 ~~another broker in performing real estate brokerage tasks for a~~
1845 ~~principal, and who owes the same duties to the principal as~~
1846 ~~the agent of the principal.~~

1847 (17) TRANSACTION ~~BROKER~~ FACILITATOR. The term has the



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1848 same meaning as "transaction broker" provided in Section
1849 34-27-81. The term also includes a licensee who assists one
1850 or more parties in a contemplated real estate transaction
1851 without being an agent or fiduciary or advocate for the
1852 interest of that party to a transaction."

1853 "§34-27-82

1854 (a) When engaged in any real estate transaction, the
1855 licensee may act as a single agent, ~~sub-agent, a limited~~
1856 ~~consensual~~-dual agent, or as a transaction ~~broker~~facilitator.

1857 (b) At the initial contact between a licensee and the
1858 consumer and until such time a ~~broker~~licensee enters into a
1859 specific written agreement to establish an agency relationship
1860 with one or more of the parties to a transaction, the licensee
1861 shall be considered a transaction facilitator and not ~~be~~
1862 ~~considered~~-an agent of that consumer. An agency relationship
1863 shall not be assumed, implied, or created without a written
1864 bilateral agreement signed by the licensee and the consumer
1865 establishing the terms of the agency relationship.

1866 (c) As soon as reasonably possible and before any
1867 confidential information is disclosed to any other person by a
1868 licensee, the licensee shall provide a written disclosure form
1869 to a consumer for signature describing the ~~alternative~~-types
1870 of brokerage services, as identified in subsection (a), that
1871 are available to clients and customers of real estate
1872 brokerage companies. The licensee shall also inform a consumer
1873 as to the specific types of brokerage services that are
1874 provided by his or her company. A broker shall not be required
1875 to offer or engage in any one or in all of the ~~alternative~~



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1876 brokerage ~~arrangements~~services specified in subsection (a).
1877 The licensee will provide a written form to the consumer for
1878 their signature describing the ~~alternative~~ types of brokerage
1879 ~~arrangements~~services available. All rental or property
1880 management services are excluded from the requirements of this
1881 subsection.

1882 (d) A licensee shall not be required to comply with the
1883 provisions of subsection (c) when engaged in transactions with
1884 any corporation, ~~non-profit~~nonprofit corporation, professional
1885 corporation, professional association, limited liability
1886 company, partnership, any partnership created under the
1887 Uniform Partnership Act (commencing at Section 10-8A-101),
1888 real estate investment trust, business trust, charitable
1889 trust, family trust, or any governmental entity in
1890 transactions involving real estate.

1891 (e) After disclosure, the consumer may make an
1892 affirmative election of a specific type of brokerage
1893 ~~arrangement~~service that is available from the real estate
1894 brokerage company. The brokerage agreement shall contain a
1895 statement of the terms and conditions of the brokerage
1896 services that the ~~broker~~company will provide. In the absence
1897 of a signed brokerage agreement between the parties, the
1898 transaction ~~brokerage~~facilitator relationship shall remain in
1899 effect.

1900 (f) When serving as a transaction ~~broker~~facilitator,
1901 the duties of the licensee to all the parties to a real estate
1902 transaction are limited to those which are enumerated in
1903 Section 34-27-84. A signed brokerage agreement between the



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1904 parties or, in the absence of a signed brokerage agreement,
1905 the continuation of the transaction ~~brokerage~~facilitator
1906 relationship, shall constitute informed consent by the
1907 consumer as to the services the consumer shall receive from
1908 the broker.

1909 (g) Disclosure forms shall be provided to buyers and
1910 sellers. All real estate ~~brokerage firms~~companies operating
1911 within the State of Alabama shall use the same agency
1912 disclosure forms. Disclosure forms describing the alternative
1913 types of brokerage services identified above shall be written
1914 by the Alabama Real Estate Commission.

1915 (h) Each offer to purchase shall prominently display a
1916 representation disclosure clause in the following form,
1917 completed and initialed as indicated:

1918 The listing licensee, _____, is:

- 1919 An agent of the seller.
- 1920 A dual agent.
- 1921 Assisting the seller as a transaction facilitator.

1922 The selling licensee, _____, is:

- 1923 An agent of the buyer.
- 1924 A dual agent.
- 1925 Assisting the buyer as a transaction facilitator.

1926 ~~(h)~~ (i) Nothing in this section shall prohibit the
1927 consumer from entering into a written contract with a
1928 qualifying broker which contains provisions for services not
1929 specifically identified in the written disclosure form."

1930 "§34-27-83

1931 Any qualifying broker acting in a real estate



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1932 transaction shall adopt a written agency disclosure office
1933 policy which specifically enumerates the types of brokerage
1934 ~~service arrangements~~services a licensee may offer or accept.

1935 (a) The qualifying broker for each ~~brokerage~~real estate
1936 company shall provide every licensee a copy of the agency
1937 disclosure policy regarding the types of brokerage services
1938 offered by their company. This policy shall be explained to
1939 all licensees at least once a year.

1940 (b) A form acknowledging receipt of the agency
1941 disclosure office policy ~~statement~~ and a satisfactory
1942 explanation of its contents shall be signed by each licensee
1943 and a copy retained by the ~~brokerage~~real estate company for
1944 three years."

1945 "§34-27-84

1946 (a) Licensees shall have all of the following
1947 obligations to all parties in a real estate transaction:

1948 (1) To provide brokerage services to all parties to the
1949 transaction honestly and in good faith.

1950 (2) To exercise reasonable skill and care in providing
1951 brokerage services to all parties.

1952 (3) To keep confidential any information given to the
1953 licensee in confidence, or any information obtained by the
1954 licensee that the licensee knows a reasonable individual would
1955 want to keep confidential, unless disclosure of this
1956 information is required by law, ~~violates a fiduciary duty to a~~
1957 ~~client, becomes public knowledge,~~ or is authorized by the
1958 party in writing, or the information becomes public knowledge,
1959 or the failure to disclose the information violates a



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1960 fiduciary duty to a client.

1961 (4) To account for all property coming into the
1962 possession of the licensee that belongs to any party to the
1963 real estate transaction.

1964 (5) When assisting a party in the negotiation of a real
1965 estate transaction, to present all written offers in a timely
1966 and truthful manner.

1967 (6) To act on behalf of the licensee or his or her
1968 immediate family, or on behalf of any other individual,
1969 organization, or business entity in which the licensee has a
1970 personal interest only with prior timely written disclosure of
1971 this interest to all parties to the transaction.

1972 (b) A licensee may provide requested information which
1973 affects a transaction to any party who requests the
1974 information, unless disclosure of the information is
1975 prohibited by law or in this article.

1976 (c) When accepting an agreement to list an owner's
1977 property for sale, the ~~broker or his or her~~ licensee shall, at
1978 a minimum, accept delivery of and present to the consumer all
1979 offers, counteroffers, and addenda to assist the consumer in
1980 negotiating offers, counteroffers, and addenda, and to answer
1981 the consumer's questions relating to the transaction."

1982 "§34-27-85

1983 (a) In addition to the duties enumerated in Section
1984 34-27-84, a licensee shall provide all of the following
1985 services to clients:

1986 (1) Loyally represent the best interests of the client
1987 by placing the interests of the client ahead of the interests



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1988 of any other party, unless loyalty to a client violates the
1989 duties of the licensee to other parties under Section
1990 34-27-84, or is otherwise prohibited by law.

1991 (2) Disclose to the client all information known by the
1992 licensee that is material to the transaction and not
1993 discoverable by the client through reasonable investigation
1994 and observation, except for confidential information as
1995 provided in ~~subdivision (3) of subsection (a) of~~ Section
1996 34-27-84 (a) (3). A licensee shall have no affirmative duty to
1997 discover the information.

1998 (3) Fulfill any obligation required by the agency
1999 agreement, and any lawful instructions of the client that are
2000 within the scope of the agency agreement, that are not
2001 inconsistent with other duties as enumerated in this article.

2002 (b) A ~~broker~~licensee who represents more than one
2003 client in a real estate transaction owes the duties as
2004 specified in subsection (a) to each client, except where the
2005 duties to one client will violate the fiduciary duties of the
2006 licensee to other clients.

2007 (c) A ~~broker~~licensee may provide brokerage services as
2008 a ~~limited consensual~~ dual agent only with the prior written,
2009 informed consent of all clients of the ~~broker~~licensee in the
2010 transaction."

2011 "§34-27-86

2012 (a) A client is not liable for a misrepresentation made
2013 by a ~~broker~~licensee in connection with the ~~broker~~licensee
2014 providing brokerage services unless the client knows or should
2015 have known of the misrepresentation or the ~~broker~~licensee is



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2016 repeating a misrepresentation made by the client to the
2017 ~~broker~~licensee.

2018 (b) A licensee shall not be liable for providing false
2019 information to a party in a real estate transaction if the
2020 false information was provided to the licensee by a client of
2021 the licensee or by a customer or by another licensee unless
2022 the licensee knows or should have known that the information
2023 was false."

2024 Section 12. Sections 1, 3, 4, 8, 10, and 11 shall
2025 become effective on October 1, 2024; Sections 5, 6, and 9
2026 shall become effective on October 1, 2026, and shall apply to
2027 licenses issued or renewed on or after October 1, 2026;
2028 Section 7 shall become effective on October 1, 2026; and
2029 Section 2 shall become effective on October 1, 2027, and shall
2030 apply to licenses issued or renewed on or after October 1,
2031 2027.