

# HB13 INTRODUCED



1 HB13  
2 U28MGDG-1  
3 By Representative Hollis  
4 RFD: Commerce and Small Business  
5 First Read: 06-Feb-24  
6 PFD: 01-Dec-23



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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, teams, 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



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29 interest in a contract for the purchase and sale of  
30 residential real estate.

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

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

42

43

A BILL

44

TO BE ENTITLED

45

AN ACT

46

47 Relating to licensed real estate professionals and  
48 companies; to amend Sections 34-27-2, 34-27-3, 34-27-6,  
49 34-27-8, 34-27-32, 34-27-33, 34-27-34, 34-27-35, 34-27-36,  
50 34-27-81, 34-27-82, 34-27-83, 34-27-84, 34-27-85, and  
51 34-27-86, Code of Alabama 1975; to add Section 34-27-39; to  
52 provide certain requirements related to training,  
53 qualifications and licensure of real estate companies,  
54 brokers, and salespersons; to provide restrictions on licensed  
55 out-of-state co-broker transactions in the state; to impose  
56 penalties for certain licensee conduct including certain



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57 conduct related to the sale or assignment of an equitable  
58 interest in a residential purchase and sale agreement and for  
59 the failure to provide a specified expiration date of a  
60 residential listing agreement; and to make nonsubstantive,  
61 technical revisions to update the existing code language to  
62 current style.

63 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

66 "§34-27-2

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

70 (1) APARTMENT. A building or complex with more than  
71 four individual units built primarily for residential leasing  
72 purposes.

73 ~~(1)~~ (2) ASSOCIATE BROKER. Any broker other than a  
74 qualifying broker.

75 ~~(2)~~ (3) BROKER. Any person licensed as a real estate  
76 broker under Articles 1 and 2 of this chapter.

77 ~~(3)~~ (4) COMMISSION. The Alabama Real Estate Commission,  
78 except where the context requires that it means the fee paid  
79 to a broker or salesperson.

80 ~~(4)~~ (5) COMMISSIONER. A member of the commission.

81 ~~(5)~~ (6) COMPANY. Any sole proprietorship, corporation,  
82 partnership, branch office, or lawfully constituted business  
83 organization as the Legislature may provide for from time to  
84 time, which is licensed as a company under Articles 1 and 2 of



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85 this chapter.

86 ~~(6)~~ (7) ENGAGE. Contractual relationships between a  
87 qualifying broker and an associate broker or salesperson  
88 licensed under him or her whether the relationship is  
89 employer-employee, independent contractor, or otherwise.

90 (8) EQUITABLE INTEREST IN A CONTRACT or EQUITABLE  
91 INTEREST. Any interests or rights in a contract or agreement  
92 to purchase residential real estate held by a party to the  
93 contract or agreement.

94 ~~(7)~~ (9) INACTIVE LICENSE. A license which is being held  
95 by the commission office by law, order of the commission, at  
96 the request of the licensee, or which is renewable but is not  
97 currently valid because of failure to renew.

98 ~~(8)~~ (10) LICENSEE. Any broker, salesperson, or company.

99 ~~(9)~~ (11) LICENSE PERIOD. That period of time beginning  
100 on October 1 of a year designated by the commission to be the  
101 first year of a license period and ending on midnight  
102 September 30 of the year designated by the commission as the  
103 final year of that license period.

104 (12) LISTING AGREEMENT. An agreement between a company  
105 and an owner by which the company agrees to assist the owner  
106 in the sale of the owner's real property in exchange for a  
107 fee. The definition includes agreements giving the company the  
108 right to list or market the owner's real property upon the  
109 owner's future decision to sell the property.

110 (13) OWNER. A person or entity legally deeded real  
111 property.

112 ~~(10)~~ (14) PERSON. A natural person.



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113           ~~(11)~~ (15) PLACE OF BUSINESS.

114           a. A licensed broker living in a rural area of this  
115 state who operates from his or her home, provided that he or  
116 she sets up and maintains an office for the conduct of the  
117 real estate business, which shall not be used for living  
118 purposes or occupancy other than the conduct of the real  
119 estate business. The office shall be used by the broker only  
120 and not as a place of business from which any additional  
121 licensee operates under his or her license. The office shall  
122 have a separate business telephone, separate entrance, and be  
123 properly identified as a real estate office.

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

132           c. All business records and files shall be kept at the  
133 place of business as required by law or Real Estate Commission  
134 rules.

135           (16) PRINCIPAL BROKER. As used in other states, having  
136 the same meaning as "qualifying broker" in this state.

137           ~~(12)~~ (17) QUALIFYING BROKER. A broker under whom a sole  
138 proprietorship, corporation, partnership, branch office, or  
139 lawfully constituted business organization as the Legislature  
140 may from time to time provide is licensed, or a broker



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141 licensed as a company to do business as a sole proprietorship  
142 who is responsible for supervising the acts of the company or  
143 proprietorship and all real estate licensees licensed  
144 therewith.

145 ~~(13)~~ (18) RECOVERY FUND. The Alabama Real Estate  
146 Recovery Fund.

147 (19) RESIDENTIAL. Pertaining to real property located  
148 in the state which is used primarily for personal, family, or  
149 household purposes.

150 ~~(14)~~ (20) SALESPERSON. Any person licensed as a real  
151 estate salesperson under Articles 1 and 2 of this chapter.

152 (21) TEAM. Licensees within the same company who group  
153 together to share consumers, resources, knowledge, or  
154 commissions.

155 (b) The licensing requirements of Articles 1 and 2 of  
156 this chapter shall not apply to any of the following persons  
157 and transactions:

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

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

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

166 (4) Persons or a state or federally chartered financial  
167 institution acting as a receiver, trustee, administrator,  
168 executor, or guardian; or acting under a court order or under



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169 authority of a trust instrument or will.

170 (5) Public officers performing their official duties.

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

174 (7) Persons acting as the manager for an apartment  
175 building or complex. However, this exception shall not apply  
176 to a person acting as an on-site manager of a condominium  
177 building or complex.

178 (8) Persons licensed as time-share sellers under  
179 Article 3 of this chapter performing an act consistent with  
180 that article.

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

183 "§34-27-3

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





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197 (b) Whenever an Alabama qualifying broker enters into a  
198 co-brokerage agreement with a ~~nonresident~~licensed out-of-state  
199 principal broker to perform in Alabama any of the acts  
200 described in Section 34-27-30, the Alabama qualifying broker  
201 shall file ~~within 10 days~~ with the commission a copy of each  
202 such written agreement not more than 10 days after the  
203 agreement is signed by all parties. By signing the agreement,  
204 the ~~nonresident~~licensed out-of-state principal broker agrees  
205 to abide by Alabama law, and the rules ~~and regulations~~ of the  
206 commission; and further agrees that civil actions may be  
207 commenced against him or her in any court of competent  
208 jurisdiction in any county of this state in which a claim may  
209 arise.

210 (c) All co-brokerage agreements with licensed  
211 out-of-state co-brokers shall include all of the following  
212 provisions:

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

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

217 (3) The showing of property located in Alabama and any  
218 negotiations pertaining to it shall be supervised by the  
219 Alabama broker.

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

222 (5) The Alabama broker shall be liable for all acts of  
223 the licensed out-of-state broker, as well as his or her own  
224 acts, arising from the execution of the co-brokerage



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225 agreement.

226 (6) The Alabama broker shall verify that the licensed  
227 out-of-state broker is a licensed principal broker in another  
228 state.

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

233 Section 2. Section 34-27-6, Code of Alabama 1975, is  
234 amended to read as follows:

235 "§34-27-6

236 (a) For purposes of this section and rules adopted  
237 pursuant thereto, the following terms ~~shall~~ have the following  
238 meanings:

239 (1) ACCREDITED SCHOOL. Any nonprofit college or  
240 university meeting the standards of an accrediting agency  
241 recognized by the U.S. Department of Education and offering  
242 any commission-approved course.

243 ~~(1)~~ (2) ADMINISTRATOR. A person designated by a  
244 ~~principal-school or branch school~~ licensed by the commission  
245 and approved by the commission to be the person responsible to  
246 the commission for all acts governed by this chapter and  
247 applicable rules which govern the operation of schools.

248 ~~(2)~~ (3) APPROVED COURSE. Any course of instruction  
249 approved by the commission that satisfies commission  
250 requirements for prelicense education, postlicense education,  
251 or continuing education.

252 ~~(3) APPROVED SCHOOL. Any proprietary educational~~



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253 ~~institution offering only commission approved continuing~~  
254 ~~education courses and any accredited college or university~~  
255 ~~that offers any commission approved course.~~

256 (4) BRANCH SCHOOL. Any school under the ownership of a  
257 principal school which offers commission approved courses at a  
258 permanent location.

259 (5) CE-ONLY SCHOOL. Any private educational institution  
260 or organization offering only commission-approved continuing  
261 education courses.

262 (6) CONTINUING EDUCATION. Any professional course  
263 required to renew or activate a license which shall be a  
264 minimum of one hour upon approval of the commission.

265 (7) DISTANCE EDUCATION. Programs whereby instruction  
266 does not take place in a traditional classroom setting but  
267 rather where teacher and student are apart by distance or by  
268 time and instruction takes place through other media.

269 ~~(5)~~ (8) INSTRUCTIONAL SITE. Any physical place where  
270 commission-~~approved~~ instruction is conducted apart from the  
271 principal school or branch school.

272 ~~(6)~~ (9) INSTRUCTOR. A person ~~approved~~ licensed by the  
273 commission to teach approved courses in the classroom or by  
274 distance education.

275 ~~(7)~~ (10) ~~LICENSED~~ PRELICENSE SCHOOL. Any ~~proprietary~~  
276 school that is licensed by the commission and bonded,  
277 including any for-profit college, that offers commission-  
278 approved prelicense courses ~~or postlicense courses, or both,~~  
279 ~~only after being licensed and bonded by the commission.~~

280 Prelicense schools may also offer continuing education



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281 courses.

282 ~~(8)~~ (11) PRINCIPAL SCHOOL. Any institution or  
283 organization which is the primary school and not a branch  
284 school ~~that is approved~~ and is licensed by the commission.

285 ~~(9) PROPRIETARY SCHOOL. Any school that is not an~~  
286 ~~accredited college or university and which offers commission~~  
287 ~~approved prelicense courses or postlicense courses, or both,~~  
288 ~~only after being licensed and bonded by the commission. Each~~  
289 ~~branch school shall be licensed separately.~~

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

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



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309 school's collection of tuition or fees, or both, from  
310 students, but failing to provide the complete instruction for  
311 which ~~such~~the tuition or fees were collected.

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

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

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

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

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



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337 be fifty dollars (\$50) for each year of any license period.

338 (e) (1) The commission shall require all schools to name  
339 and have ~~approved~~licensed by the commission an ~~school~~  
340 administrator who shall be responsible to the commission for  
341 all actions of his or her respective school.

342 (2) Each administrator shall pay a license fee in the  
343 amount of one hundred dollars (\$100) per year for each year or  
344 remaining portion of a year of any license period. The renewal  
345 fee for each administrator shall be fifty dollars (\$50) for  
346 each year of the license period.

347 (f) ~~Principal~~Each schools ~~s~~ and branch school shall be  
348 clearly identified by signage which shall indicate the name of  
349 the school ~~as in a manner~~ appropriate for ~~the~~its location. The  
350 signage shall set out the name of the principal school. Branch  
351 schools shall be clearly identified by signage as appropriate  
352 for the location. ~~The signage~~For branch schools the signage  
353 shall set out the name of the branch school and the name of  
354 the principal school.

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

363 (h) The commission shall approve, sponsor, contract for  
364 or conduct, or assist in sponsoring or conducting, real estate



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365 courses for licensees, may charge fees, and may incur and pay  
366 the necessary related expenses ~~in connection therewith~~.

367 (i) (1) The commission shall ~~approve~~ license and regulate  
368 instructors who teach the commission-~~approved~~ prelicense, ~~7~~  
369 ~~postlicense~~, and continuing education courses. The commission  
370 shall establish and collect fees as determined necessary, ~~7~~ from  
371 licensed instructors who teach commission-approved courses, in  
372 an amount not to exceed fifty dollars (\$50) per instructor  
373 annually, ~~to approved instructors who teach commission~~  
374 ~~approved courses~~.

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

377 (j) (1) An instructor, administrator, or school may  
378 request that the commission issue or change its license to  
379 inactive status. An instructor, administrator, or school  
380 licensee whose license status is inactive shall be prohibited  
381 from engaging in any of the following:

382 a. Teaching commission-approved courses if the licensee  
383 is an instructor.

384 b. Offering commission-approved courses if the licensee  
385 is a school.

386 c. Performing any duties of an administrator if the  
387 licensee is an administrator, including, but not limited to,  
388 registering students, advertising the school, reporting course  
389 schedules to the commission, or entering student credit for  
390 completed courses.

391 (2) The inactive license of an instructor,  
392 administrator, or school must be renewed in the same manner as



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393 an active license for an instructor, administrator, or school.

394 (3) A prelicense instructor whose license status is  
395 inactive for three years or less and who renews his or her  
396 license while its status is inactive may activate his or her  
397 license for the first time during any license period by  
398 meeting both of the following requirements:

399 a. Completing any continuing education requirement for  
400 licensed instructors that remains incomplete from the previous  
401 license period.

402 b. Paying a license activation fee.

403 c. If the license remains inactive for longer than  
404 three years, the prelicense instructor must take required  
405 training before activating his or her license. Once the  
406 license is activated, a prelicense instructor will be  
407 responsible for completing the then current continuing  
408 education coursework requirement to renew the active license  
409 for the next license period.

410 (4) In addition to any other requirements provided in  
411 this section, any instructor, administrator, or a school which  
412 is seeking to change its license status from inactive to  
413 active shall be required to pay a license activation fee in  
414 the amount of fifty dollars (\$50) per license.

415 (k) An active prelicense instructor with an inactive  
416 broker license must remain current with continuing education  
417 requirements for active brokers as well as the continuing  
418 education requirements for active prelicense instructors.

419 (1) (1) All education licenses and approvals shall  
420 expire at midnight on September 30 of the final year of each





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421 license period. Each prelicense instructor must complete  
422 required continuing education courses and provide proof of  
423 completion to the commission on or before September 30 of the  
424 final year of each license period.

425 (2) The continuing education coursework requirement  
426 shall apply to each two-year education renewal. Coursework  
427 hours completed in excess of the requirement shall not be  
428 applicable to any subsequent renewal.

429 (3) An inactive status license of a prelicense  
430 instructor shall be renewed in the same manner as for an  
431 active prelicense instructor except that continuing education  
432 coursework shall not be required while the license remains  
433 inactive.

434 (m) Any prelicense instructor, administrator, or school  
435 that fails to renew its license by the September 30 deadline  
436 shall incur a late fee in the amount of two hundred dollars  
437 (\$200) per license as of October 1 of the first year of the  
438 new license period.

439 (n) (1) A prelicense instructor, administrator, or  
440 school may renew an expired license during the twelve-month  
441 period following the September 30 renewal deadline, provided  
442 that the licensee shall not engage in any licensed activity  
443 until the license is renewed.

444 (2) After the last day of the twelfth month following  
445 the September 30 renewal deadline, an expired license shall  
446 lapse and shall be subject to all requirements applicable to  
447 an original license.

448 (3) The commission may allow late renewal of a lapsed



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449 license upon a determination of hardship, provided that all  
450 required fees are paid.

451 ~~(j)~~ (o) (1) The commission shall approve courses and  
452 establish and collect fees ~~as determined~~ deemed necessary, not  
453 to exceed one hundred dollars (\$100) per application, to  
454 review each course.

455 (2) a. The commission may certify synchronous distance  
456 education courses, and establish and collect fees deemed  
457 necessary, in an amount not to exceed four hundred dollars  
458 (\$400) per application.

459 b. The commission shall consider synchronous distance  
460 education courses for certification based on the commission's  
461 analysis of all of the following aspects of the course of  
462 which it is part:

- 463 1. The course or program mission statement.
- 464 2. Course design.
- 465 3. Interactivity.
- 466 4. Delivery.
- 467 5. Equipment.
- 468 6. The learning environment.
- 469 7. Student support services.
- 470 8. Educational effectiveness and assessment of student  
471 learning outcomes.
- 472 9. Commitment to ongoing support of the course.

473 ~~(k)~~ (p) The commission shall establish one-year or  
474 multi-year ~~approval~~ license periods for schools, instructors,  
475 administrators, and courses. ~~Approval and license~~ License  
476 periods shall run from October 1 of the first year of the



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477 ~~approval~~license period through September 30 of the final year  
478 of the ~~approval~~license period.

479 ~~(l)~~ (q) The commission shall ~~promulgate~~adopt rules ~~and~~  
480 ~~regulations~~ as necessary to accomplish the purpose of this  
481 section in accordance with the Administrative Procedure Act."

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

484 "§34-27-8

485 (a) A majority of the commission members shall  
486 constitute a quorum for the conduct of commission business.  
487 The commission may adopt and enforce all rules and regulations  
488 pursuant to the state administrative procedure statutes  
489 necessary for the administration of this chapter, and to  
490 otherwise do all things necessary and convenient for effecting  
491 this chapter.

492 (b) In addition to the powers granted in this section,  
493 the commission may adopt and enforce rules ~~and regulations~~  
494 governing the requirements of agency disclosure by licensed  
495 brokers and salespersons.

496 ~~(c) Each offer to purchase prepared after August 1,~~  
497 ~~1998, shall have prominently displayed the following AGENCY~~  
498 ~~DISCLOSURE clause which shall be completed and initialed as~~  
499 ~~indicated:~~

500 ~~The listing 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 ~~The selling company \_\_\_\_\_ is:~~

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

510 ~~\_\_\_\_\_ An agent of the seller.~~

511 ~~\_\_\_\_\_ An agent of the buyer.~~

512 ~~\_\_\_\_\_ An agent of both the seller and buyer and is~~  
513 ~~acting as a limited consensual dual agent.~~

514 ~~\_\_\_\_\_ Assisting the \_\_\_\_\_ buyer \_\_\_\_\_ seller as a~~  
515 ~~transaction broker."~~

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

518 "§34-27-32

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

523 (1) Is trustworthy and competent to transact the  
524 business of a broker or salesperson in a manner that  
525 safeguards the interest of the public.

526 (2) Is a person whose application for real estate  
527 licensure has not been rejected in any state on any grounds  
528 other than failure to pass a written examination within the  
529 two years prior to the application for real estate licensure  
530 with Alabama. If the applicant's rejection for real estate  
531 licensure in any state is more than two years from the date of  
532 application for licensure with Alabama, then the applicant may



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533 not be issued an Alabama real estate license without the  
534 approval of the commissioners.

535 (3) Is a person whose real estate license has not been  
536 revoked in any state within the two years prior to application  
537 for real estate licensure with Alabama. If the applicant's  
538 real estate licensure revocation in any state, including  
539 Alabama, is more than two years from the date of application  
540 for licensure with Alabama then the applicant may not be  
541 issued an Alabama real estate license without the approval of  
542 the commissioners.

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

544 (5) Is a citizen of the United States or, if not a  
545 citizen of the United States, a person who is legally present  
546 in the United States with appropriate documentation from the  
547 federal government, or is an alien with permanent resident  
548 status.

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

551 "I, as a nonresident applicant for a real estate  
552 license and as a licensee, agree that the Alabama Real Estate  
553 Commission shall have jurisdiction over me in any and all of  
554 my real estate related activities the same as if I were an  
555 Alabama resident licensee. I agree to be subject to  
556 investigations and disciplinary actions the same as Alabama  
557 resident licensees. Further, I agree that civil actions may be  
558 commenced against me in any court of competent jurisdiction in  
559 any county of the State of Alabama.

560 "I hereby appoint the Executive Director or the



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561 Assistant Executive Director of the Alabama Real Estate  
562 Commission as my agent upon whom all disciplinary, judicial,  
563 or other process or legal notices may be served. I agree that  
564 any service upon my agent shall be the same as service upon me  
565 and that certified copies of this appointment shall be deemed  
566 sufficient evidence and shall be admitted into evidence with  
567 the same force and effect as the original might be admitted. I  
568 agree that any lawful process against me which is served upon  
569 my agent shall be of the same legal force and validity as if  
570 personally served upon me and that this appointment shall  
571 continue in effect for as long as I have any liability  
572 remaining in the State of Alabama. I understand that my agent  
573 shall, within a reasonable time after service upon him or her,  
574 mail a copy of the service by certified mail, return receipt  
575 requested, to me at my last known business address.

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

579 \_\_\_\_\_ Legal Signature of Applicant"

580 The commission may reject the application of any person  
581 who has been convicted of or pleaded guilty or nolo contendere  
582 to a felony or a crime involving moral turpitude.

583 (b) (1) a. A person who holds a current real estate  
584 salesperson license in another state, including persons who  
585 move to and become residents of Alabama, shall apply for a  
586 reciprocal salesperson license ~~on a form prescribed by the~~  
587 ~~commission~~. A person who holds a current broker license in  
588 another state, including persons who move to and become



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589 residents of Alabama, shall apply for a reciprocal broker  
590 license ~~on a form prescribed by the commission.~~

591 b. The applicant shall submit proof that he or she has  
592 a current real estate license in another state as evidenced by  
593 a certificate of licensure, together with any other  
594 information required by the commission. The applicant shall  
595 also show proof that he or she has completed at least six  
596 hours of course work in Alabama real estate which is approved  
597 by the commission. Applicants for a reciprocal license shall  
598 not be subject to the complete examination or temporary  
599 license requirements of Section 34-27-33, but shall pass a  
600 reasonable written examination prepared by the commission on  
601 the subject of Alabama real estate. A person who holds a  
602 reciprocal license shall show proof of completion of  
603 continuing education either by meeting the requirements of  
604 Section 34-27-35 or by showing proof that his or her other  
605 state license remains active in that state.

606 c. The fees for issuance and renewal of a reciprocal  
607 license shall be the same as those for original licenses  
608 pursuant to Section 34-27-35. The recovery fund fee for  
609 issuance of a reciprocal license shall be the same as for an  
610 original license pursuant to Section 34-27-31.

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

615 (c) A person who does not hold a current real estate  
616 broker license in another state desiring to be a real estate



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617 broker in this state shall apply for a ~~broker's~~broker license  
618 on a form prescribed by the commission which shall specify the  
619 real estate office to which he or she is registered. Along  
620 with the application, he or she shall submit all of the  
621 following:

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

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

628 (3) Proof that he or she has completed a course in real  
629 estate approved by the commission, which shall be a minimum of  
630 60 clock hours.

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

632 (d) A person who does not hold a current real estate  
633 salesperson license in another state desiring to be a real  
634 estate salesperson in this state shall apply for a  
635 ~~salesperson's~~salesperson license with the commission on a form  
636 prescribed by the commission which shall specify the real  
637 estate office to which he or she is registered. Along with the  
638 application he or she shall furnish all of the following:

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

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

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





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645 (e) An application for a company license or branch  
646 office license shall be made by a qualifying broker on a form  
647 prescribed by the commission. The qualifying broker shall be  
648 an officer, partner, or employee of the company.

649 (f) An applicant for a company or broker license shall  
650 maintain a place of business.

651 (g) If the applicant for a company or broker license  
652 maintains more than one place of business in the state, he or  
653 she shall have a company or branch office license for each  
654 separate location or branch office. Every application shall  
655 state the location of the company or branch office and the  
656 name of its qualifying broker. Each company or branch office  
657 shall be under the direction and supervision of a qualifying  
658 broker licensed at that address. No person may serve as  
659 qualifying broker at more than one location. The qualifying  
660 broker for the branch office and the qualifying broker for the  
661 company shall share equal responsibility for the real estate  
662 activities of all licensees assigned to the branch office or  
663 company.

664 (h) (1) No person shall be a qualifying broker for more  
665 than one company or for a company and on his or her own behalf  
666 unless he or she meets all of the following requirements:

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

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

671 c. All companies for which he or she is and proposes to  
672 be the qualifying broker share the same company address ~~(3)~~ He



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673 ~~or she will be doing business from the same location.~~

674 (2) A person licensed under a qualifying broker may be  
675 engaged by one or more companies with the same qualifying  
676 broker.

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

679 (i) A company license shall become invalid on the death  
680 or disability of a qualifying broker. Within 30 days after the  
681 death or disability, the corporation, or the remaining  
682 partners or the successor partnership, if any, may designate  
683 another of its officers, members, or salespersons to apply for  
684 a license as temporary qualifying broker. The person  
685 designated as temporary qualifying broker shall either be a  
686 broker or have been a salesperson for at least one year prior  
687 to filing the application. If the application is granted, the  
688 company may operate under that temporary qualifying broker for  
689 no more than six months after the ~~death or disability of its~~  
690 ~~former qualifying broker~~temporary qualifying broker license is  
691 issued. Unless the company designates a fully licensed broker  
692 as the qualifying broker within the six months, the company  
693 license and all licenses under the company shall be classified  
694 inactive by the commission.

695 (j) The commission shall require both state and  
696 national criminal history background checks to issue a  
697 license. Applicants shall submit required information and  
698 fingerprints to the commission, Federal Bureau of  
699 Investigation, Alabama State Law Enforcement Agency, or its  
700 successor, or to a fingerprint processing service that may be



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701 selected by the commission for this purpose. Criminal history  
702 record information shall be provided to the commission from  
703 both the State of Alabama and the Federal Bureau of  
704 Investigation. The commission can use the provided criminal  
705 history for the determination of the qualifications and  
706 fitness of the applicant to hold a real estate license. The  
707 applicant shall assume the cost of the criminal history check.  
708 The criminal history ~~must~~shall be current to the issuance of  
709 the license.

710 (k) The commission may charge a fee of ten dollars  
711 (\$10) for furnishing any person a copy of a license,  
712 certificate, or other official record of the commissioner."

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

715 "§34-27-32

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

720 (1) Is trustworthy and competent to transact the  
721 business of a broker or salesperson in a manner that  
722 safeguards the interest of the public.

723 (2) Is a person whose application for real estate  
724 licensure has not been rejected in any state on any grounds  
725 other than failure to pass a written examination within the  
726 two years prior to the application for real estate licensure  
727 with Alabama. If the applicant's rejection for real estate  
728 licensure in any state is more than two years from the date of



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729 application for licensure with Alabama, then the applicant may  
730 not be issued an Alabama real estate license without the  
731 approval of the commissioners.

732 (3) Is a person whose real estate license has not been  
733 revoked in any state within the two years prior to application  
734 for real estate licensure with Alabama. If the applicant's  
735 real estate licensure revocation in any state, including  
736 Alabama, is more than two years from the date of application  
737 for licensure with Alabama then the applicant may not be  
738 issued an Alabama real estate license without the approval of  
739 the commissioners.

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

741 (5) Is a citizen of the United States or, if not a  
742 citizen of the United States, a person who is legally present  
743 in the United States with appropriate documentation from the  
744 federal government, or is an alien with permanent resident  
745 status.

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

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



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757 "I hereby appoint the Executive Director or the  
758 Assistant Executive Director of the Alabama Real Estate  
759 Commission as my agent upon whom all disciplinary, judicial,  
760 or other process or legal notices may be served. I agree that  
761 any service upon my agent shall be the same as service upon me  
762 and that certified copies of this appointment shall be deemed  
763 sufficient evidence and shall be admitted into evidence with  
764 the same force and effect as the original might be admitted. I  
765 agree that any lawful process against me which is served upon  
766 my agent shall be of the same legal force and validity as if  
767 personally served upon me and that this appointment shall  
768 continue in effect for as long as I have any liability  
769 remaining in the State of Alabama. I understand that my agent  
770 shall, within a reasonable time after service upon him or her,  
771 mail a copy of the service by certified mail, return receipt  
772 requested, to me at my last known business address.

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

776 \_\_\_\_\_ Legal Signature of Applicant"

777 The commission may reject the application of any person  
778 who has been convicted of or pleaded guilty or nolo contendere  
779 to a felony or a crime involving moral turpitude.

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



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785 another state, including persons who move to and become  
786 residents of Alabama, shall apply for a reciprocal broker  
787 license ~~on a form prescribed by the commission.~~

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

803 c. The fees for issuance and renewal of a reciprocal  
804 license shall be the same as those for original licenses  
805 pursuant to Section 34-27-35. The recovery fund fee for  
806 issuance of a reciprocal license shall be the same as for an  
807 original license pursuant to Section 34-27-31.

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

812 (c) A person who does not hold a current real estate



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813 broker license in another state desiring to be a real estate  
814 broker in this state shall apply for a ~~broker's~~broker license  
815 ~~on a form prescribed by the commission which shall specify the~~  
816 ~~real estate office to which he or she is registered.~~ Along  
817 with the application, he or she shall submit all of the  
818 following:

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

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

825 (3) Proof that he or she has ~~completed a course in real~~  
826 ~~estate approved by the commission, which shall be a minimum of~~  
827 ~~60 clock hours.~~met all of the following requirements:

828 a. Successfully completed a course in broker basics  
829 approved by the commission.

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

832 c. Within 90 days after passing the license  
833 examination, successfully completed a course in professional  
834 development approved by the commission.

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

836 (d) A person who does not hold a current real estate  
837 salesperson license in another state desiring to be a real  
838 estate salesperson in this state shall apply for a  
839 ~~salesperson's~~salesperson license with the commission ~~on a form~~  
840 ~~prescribed by the commission which shall specify the real~~



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841 ~~estate office to which he or she is registered.~~ Along with the  
842 application he or she shall ~~furnish~~provide all of the  
843 following:

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

846 (2) Proof that he or she has ~~successfully completed a~~  
847 ~~course in real estate approved by the commission, which shall~~  
848 ~~be a minimum of 60 clock hours.~~met all of the following  
849 requirements:

850 a. Successfully completed a salesperson basics course  
851 approved by the commission.

852 b. Passed a license examination within 90 days after  
853 completing the salesperson basics course.

854 c. Within 90 days after passing the license  
855 examination, successfully completed a course approved by the  
856 commission in salesperson professional development.

857 (3) The name of the applicant's qualifying broker,  
858 along with the information required pursuant to Section  
859 34-27-33.

860 ~~(3)~~ (4) Any other information required by the  
861 commission.

862 (e) An application for a company license or branch  
863 office license shall be made by a qualifying broker on a form  
864 prescribed by the commission. The qualifying broker shall be  
865 an officer, partner, or employee of the company.

866 (f) An applicant for a company or broker license shall  
867 maintain a place of business.

868 (g) If the applicant for a company or broker license





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869 maintains more than one place of business in the state, he or  
870 she shall have a company or branch office license for each  
871 separate location or branch office. Every application shall  
872 state the location of the company or branch office and the  
873 name of its qualifying broker. Each company or branch office  
874 shall be under the direction and supervision of a qualifying  
875 broker licensed at that address. No person may serve as  
876 qualifying broker at more than one location. The qualifying  
877 broker for the branch office and the qualifying broker for the  
878 company shall share equal responsibility for the real estate  
879 activities of all licensees assigned to the branch office or  
880 company.

881 (h) (1) No person shall be a qualifying broker for more  
882 than one company or for a company and on his or her own behalf  
883 unless he or she meets all of the following requirements:

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

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

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

891 (2) A person licensed under a qualifying broker may be  
892 engaged by one or more companies with the same qualifying  
893 broker.

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

896 (i) A company license shall become invalid on the death



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897 or disability of a qualifying broker. Within 30 days after the  
898 death or disability, the corporation, or the remaining  
899 partners or the successor partnership, if any, may designate  
900 another of its officers, members, or salespersons to apply for  
901 a license as temporary qualifying broker. The person  
902 designated as temporary qualifying broker shall either be a  
903 broker or have been a salesperson for at least one year prior  
904 to filing the application. If the application is granted, the  
905 company may operate under that temporary qualifying broker for  
906 no more than six months after the ~~death or disability of its~~  
907 ~~former qualifying broker~~ temporary qualifying broker license is  
908 issued. Unless the company designates a fully licensed broker  
909 as the qualifying broker within the six months, the company  
910 license and all licenses under the company shall be classified  
911 inactive by the commission.

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



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925 The criminal history ~~must~~shall be current to the issuance of  
926 the license.

927 (k) The commission may charge a fee of ten dollars  
928 (\$10) for furnishing any person a copy of a license,  
929 certificate, or other official record of the commissioner."

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

932 "§34-27-33

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

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

944 (b) (1) Within 90 days after passing the examination,  
945 the applicant shall complete a professional development course  
946 approved by the commission, meet all of the requirements of  
947 this chapter, and secure a qualifying broker. ~~and meet all~~  
948 ~~requirements of this chapter and the board shall~~ Upon the  
949 applicant doing so, the commission shall issue a temporary ~~an~~  
950 ~~active~~ license or classify the license as inactive.

951 (2) In order to obtain an active license, the  
952 applicant's qualifying broker shall acknowledge ~~sign and~~



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953 ~~submit~~ to the commission ~~a sworn statement~~ that the applicant  
954 is in his or her opinion honest, trustworthy, and of good  
955 reputation, and that the broker accepts responsibility for the  
956 actions of the salesperson as set out in Section 34-27-31. The  
957 applicant's qualifying broker shall ~~be licensed in~~ hold an  
958 active Alabama license.

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

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

970 1. Proof of successful completion of a 15-hour  
971 orientation as prescribed by the commission, in the  
972 applicant's 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 complete and submit the  
978 application for an original license with required  
979 documentation within ~~six months~~ 90 days ~~of~~ after issuance of his  
980 or her temporary license, ~~and have his or her original license~~



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

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

997 ~~(3)~~ (4) In order to have the status of an inactive a  
998 temporary license ~~issued~~changed to active status, the  
999 applicant shall pay the Recovery Fund fee specified in this  
1000 chapter. ~~The holder of a temporary license shall, upon~~  
1001 ~~satisfactory completion of the course, pay the original~~  
1002 ~~license fee specified in this chapter to have his or her~~  
1003 ~~original license issued.~~ An applicant for an original license  
1004 who has paid the Recovery Fund fee specified in this chapter  
1005 shall not be required to pay another Recovery Fund fee in  
1006 order to have his or her original license issued.

1007 ~~(4) The holder of an original license who has~~  
1008 ~~satisfactorily completed the postlicense course and whose~~



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

1012 ~~(d) This section shall become effective for licenses~~  
1013 ~~issued beginning October 1, 1993."~~

1014 Section 7. Section 34-27-34, Code of Alabama 1975, is  
1015 amended to read as follows:

1016 "§34-27-34

1017 (a) (1) ~~A broker may serve as qualifying broker for a~~  
1018 ~~salesperson or associate broker only if licensed in Alabama,~~  
1019 ~~his or her principal business is that of a real estate broker,~~  
1020 ~~and he or she shall be in a position to actually supervise the~~  
1021 ~~real estate activities of the associate broker or salesperson~~  
1022 ~~on a full-time basis~~A person concurrently licensed as a broker  
1023 in another state who has reciprocally obtained a broker  
1024 license in this state may serve as a qualifying broker over a  
1025 salesperson or associate broker if he or she meets all of the  
1026 following requirements:

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

1028 b. He or she is in a position to actually supervise the  
1029 real estate activities of the associate broker or salesperson  
1030 on a 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 (2) A person licensed as a broker in this state who is  
1034 not currently licensed as a broker in another state may serve  
1035 as qualifying broker over a salesperson or associate broker if  
1036 he or she meets all of the following requirements:



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1037 a. Real estate is his or her principal business.

1038 b. He or she is in a position to actually supervise the  
1039 real estate activities of the associate broker or salesperson  
1040 on a full-time basis.

1041 c. He or she has held an active broker license for at  
1042 least 24 of the last 36 months.

1043 d. He or she has attended a qualifying broker training  
1044 course provided by the commission.

1045 ~~(2)~~ (3) a. A salesperson or associate broker shall not  
1046 perform acts for which a license is required unless licensed  
1047 under a qualifying broker.

1048 b. A qualifying broker shall be held responsible to the  
1049 commission and to the public for all acts governed by this  
1050 chapter of each salesperson and associate broker licensed  
1051 under him or her and of each company for which he or she is  
1052 the qualifying broker. It shall be the duty of the qualifying  
1053 broker to see that all transactions of every licensee engaged  
1054 by him or her or any company for which he or she is the  
1055 qualifying broker comply with this chapter.

1056 c. ~~A Additionally, the~~ qualifying broker shall be  
1057 responsible to an injured party for the damage caused by any  
1058 violation of this chapter by any licensee engaged by the  
1059 qualifying broker. This subsection does not relieve a licensee  
1060 from liability that he or she would otherwise have.

1061 ~~(3)~~ d. The qualifying ~~brokers'~~ broker's supervision  
1062 responsibilities, as prescribed herein, over the real estate  
1063 activities of associate brokers and salespersons licensed  
1064 under him or her are not intended to create, and should not be



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1065 construed as creating, an employer-employee relationship  
1066 contrary to any expressed intent of the qualifying broker and  
1067 licensee to the contrary.

1068 (b) (1) Any salesperson or associate broker who desires  
1069 to change his or her qualifying broker shall give notice in  
1070 writing to the commission, and shall send a copy of the notice  
1071 to his or her qualifying broker. ~~The new qualifying broker~~  
1072 ~~shall file with the commission a request for the transfer and~~  
1073 ~~a statement assuming liability for the licensee.~~ In order to  
1074 transfer a license, the applicant's new qualifying broker  
1075 shall acknowledge to the commission that in his or her opinion  
1076 the applicant is honest, trustworthy, of good reputation, and  
1077 that the broker accepts responsibility for the actions of the  
1078 salesperson under Section 34-27-31.

1079 (2) On payment of a fee of twenty-five dollars (\$25), a  
1080 new license ~~certificate~~ shall be issued to the new qualifying  
1081 broker on behalf of the salesperson or associate broker for  
1082 the unexpired term of the original license. A fee of  
1083 twenty-five dollars (\$25) shall also be charged for any of the  
1084 following license changes:

1085 ~~(1)~~ a. Change of qualifying broker by a company or sole  
1086 proprietorship. The fee ~~is~~ shall be paid for ~~the~~ each license ~~or~~  
1087 ~~licenses~~ on which the current and new qualifying brokers'  
1088 names appear. In cases where a company has a branch office or  
1089 offices and the main office qualifying broker is changed, the  
1090 fee is paid for each branch office license and for the license  
1091 of each branch qualifying broker. This change must be made  
1092 within 30 days of the name change.





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1093           ~~(2)~~b. Change of personal name of a qualifying broker.  
1094 Within 30 days following name change, the ~~The~~ fee ~~is~~shall be  
1095 paid for the license or licenses on which the current  
1096 qualifying broker's name appears.

1097           ~~(3)~~c. Change of personal name of a salesperson or  
1098 associate broker. Within 30 days after the name change, the  
1099 ~~The~~ fee ~~is~~shall be paid for the license on which the name  
1100 appears.

1101           ~~(4)~~d. Change of business location. The fee is paid for  
1102 the license or licenses on which the address appears.

1103           ~~(5)~~e. Change of business name. The fee is paid for the  
1104 license or licenses on which the name appears.

1105           ~~(6)~~f. Change of license status from inactive to active.  
1106 The fee is paid for each license being changed from inactive  
1107 to active status. No fee is charged for the change from active  
1108 to inactive status.

1109           (c) A ~~person~~qualifying broker who wishes to terminate  
1110 his or her ~~status as qualifying broker~~responsibility for a  
1111 licensee may do so by notifying the licensee and ~~the~~  
1112 ~~commission in writing and sending the licensee's license~~  
1113 ~~certificate to the commission or verifying in writing to the~~  
1114 ~~commission that the certificate has been lost or destroyed~~  
1115 placing the licensee's license on inactive status with the  
1116 commission.

1117           (d) ~~A person~~An individual who wishes to terminate his  
1118 or her status as a qualifying broker for a company may do so  
1119 by submitting written notice to the company or ~~qualifying~~  
1120 ~~broker~~officers of the parent company and the commission.



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1121 (e) A salesperson or associate broker shall not perform  
1122 any act for which a license is required after his or her  
1123 association with his or her qualifying broker has been  
1124 terminated, or if he or she changes qualifying brokers, until  
1125 a new active license has been issued by the commission."

1126 Section 8. Section 34-27-35, Code of Alabama 1975, is  
1127 amended to read as follows:

1128 "§34-27-35

1129 (a) The commission shall prescribe the form and content  
1130 of license certificates issued. Each qualifying broker's  
1131 license certificate shall show the name and business address  
1132 of the broker. The license certificate of each active  
1133 salesperson or associate broker shall show his or her name and  
1134 address. The license certificate of each active salesperson or  
1135 associate broker shall be delivered or mailed to his or her  
1136 qualifying broker. Each license certificate shall be kept by  
1137 the qualifying broker and shall be publicly displayed at the  
1138 address which appears on the license certificate.

1139 (b) The commission may establish a one-year or  
1140 multi-year license period.

1141 (c) (1) The fee for a temporary license shall be one  
1142 hundred fifty dollars (\$150). The original fee for a  
1143 ~~broker's~~broker license shall be one hundred fifty dollars  
1144 (\$150). ~~and, beginning with the license period effective~~  
1145 ~~October 1, 2002, the~~The renewal fee for a ~~broker's~~broker  
1146 license shall be seventy-five dollars (\$75) per year for each  
1147 year of the license period. The original fee for each  
1148 ~~salesperson's~~salesperson license shall be sixty-five dollars



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1149 (\$65) per year for each year or portion of a year remaining in  
1150 the respective license period, and the renewal fee for each  
1151 ~~salesperson's~~salesperson license shall be sixty-five dollars  
1152 (\$65) per year for each year of the license period. The  
1153 original fee for each company license shall be sixty-five  
1154 dollars (\$65) per year for each year or portion of a year  
1155 remaining in the respective license period, and the renewal  
1156 fee for each license shall be sixty-five dollars (\$65) per  
1157 year for each year of the license period.

1158 (2) ~~Beginning with the license period effective October~~  
1159 ~~1, 2004, the~~The renewal fee for a ~~broker's~~broker license shall  
1160 be ninety-five dollars (\$95) per year for each year of the  
1161 license period. The original fee for each  
1162 ~~salesperson's~~salesperson license shall be eighty-five dollars  
1163 (\$85) per year for each year or portion of a year remaining in  
1164 the respective license period, and the renewal fee for each  
1165 ~~salesperson's~~salesperson license shall be eighty-five dollars  
1166 (\$85) per year for each year of the license period. The  
1167 original fee for each company license shall be eighty-five  
1168 dollars (\$85) per year for each year or portion of a year  
1169 remaining in the respective license period, and the renewal  
1170 fee for each license shall be eighty-five dollars (\$85) per  
1171 year for each year of the license period.

1172 (d) ~~(1)~~ The renewal research and education fee shall be  
1173 ~~two~~seven dollars and fifty cents ~~(\$2.50)~~ (\$7.50) per year for  
1174 each year of the license period and shall be paid at the time  
1175 of license renewal by all brokers and salespersons in addition  
1176 to the license renewal fees set out in this section.



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1177 Collection of this fee shall apply to all broker and  
1178 salesperson renewals, except that brokers who hold more than  
1179 one ~~broker's~~broker license shall pay the fee for only one  
1180 license at each renewal.

1181 ~~(2) Beginning June 1, 2014, this fee shall be seven~~  
1182 ~~dollars and fifty cents (\$7.50), and the~~The proceeds shall be  
1183 distributed to the Alabama Center for Real Estate.

1184 (e) The original research and education fee shall be  
1185 thirty dollars (\$30) and shall be paid at the time of all  
1186 applications received ~~on and after October 15, 1995,~~ for  
1187 issuance of an original ~~broker's~~broker license, and shall be  
1188 paid at the time of all applications received ~~on and after~~  
1189 ~~October 15, 1995,~~ for issuance of a temporary  
1190 ~~salesperson's~~salesperson license. The original research and  
1191 education fee shall also be paid by reciprocal salespersons.  
1192 This is in addition to the original license fees set out in  
1193 this section. This thirty dollar (\$30) original research and  
1194 education fee is a one-time fee which no person shall be  
1195 required to pay more than once.

1196 (f) The license of a salesperson who is subsequently  
1197 issued a ~~broker's~~broker license automatically terminates upon  
1198 the issuance of his or her ~~broker's~~broker license certificate.  
1199 The ~~salesperson's~~salesperson license certificate shall be  
1200 returned to the commission in order for a ~~broker's~~broker  
1201 license to be issued. No refund shall be made of any fee or  
1202 Recovery Fund deposit pertaining to the ~~salesperson's,~~  
1203 ~~broker's, or company's~~salesperson, broker, or company license  
1204 once it has been in effect.



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1205 (g) The commission shall prescribe a license renewal  
1206 form, which shall accompany renewal fees ~~which~~and shall be  
1207 filed on or before August 31 of the final year of each license  
1208 period in order for the respective license to be renewed on a  
1209 timely basis for the following license period. If any of the  
1210 foregoing are filed during the period from September 1 through  
1211 September 30 of the final year of a license period, the one  
1212 hundred fifty dollar (\$150) penalty set out below shall be  
1213 paid in addition to the renewal fees. Failure to meet this  
1214 September 30 deadline shall result in the license being placed  
1215 on inactive status on the following October 1, and the license  
1216 shall be subject to all reactivation requirements.  
1217 Reactivations shall be processed in the order received as  
1218 evidenced by postmark or delivery date. Certified or  
1219 registered mail may be used for reactivation in these cases.  
1220 Licensees filing during the period from September 1 of the  
1221 final year of a license period through September 30 of the  
1222 initial year of a license period shall pay the required  
1223 license fee, plus a penalty of one hundred fifty dollars  
1224 (\$150).

1225 (h) The renewal form shall be mailed by the commission  
1226 to the licensee's place of business, if an active licensee, or  
1227 to his or her residence, if an inactive licensee, prior to  
1228 August 1 of the final year of each license period. Each  
1229 licensee shall notify the commission in writing of any change  
1230 in his or her business or residence address within 30 days of  
1231 the change.

1232 (i) Every license shall expire at midnight on September



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1233 30 of the final year of each license period. An expired  
1234 license may be renewed during the 12-month period following  
1235 the license period for which the license was current. A  
1236 licensee who fails to renew before the end of the 12-month  
1237 period following the license period for which the license was  
1238 issued has a lapsed license, and shall be subject to all  
1239 requirements applicable to persons who have never been  
1240 licensed, however, the commission may upon determination of  
1241 hardship, allow later renewal upon payment of all fees and  
1242 penalties. An inactive license must be renewed in the same  
1243 manner as an active license.

1244 (j) (1) Each applicant for renewal of an active  
1245 salesperson or broker license issued by the commission shall,  
1246 on or before September 30 of the final year of each license  
1247 period, submit proof of completion of not less than 15 clock  
1248 hours of approved continuing education course work to the  
1249 commission, in addition to any other requirements for renewal.  
1250 Failure to meet this deadline shall result in the license  
1251 being placed on inactive status on the following October 1,  
1252 and the license shall be subject to all reactivation  
1253 requirements. Reactivations shall be processed in the order  
1254 received as evidenced by postmark or delivery date. Certified  
1255 or registered mail may be used for reactivation in this case.  
1256 Proof of attendance at the course work, whether or not the  
1257 applicant attained a passing grade in the course, shall be  
1258 sufficient to satisfy requirements for renewal. The 15 clock  
1259 hours' course work requirement shall apply to each two-year  
1260 license renewal, and hours in excess of 15 shall not be



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1261 cumulated or credited for the purpose of subsequent license  
1262 renewals. The commission shall develop standards for approval  
1263 of courses, and shall require certification of the course work  
1264 of the applicant.

1265 Time served as a member of the state Legislature during  
1266 each license renewal period shall be deemed the equivalent of  
1267 the 15 hours course work and shall satisfy the requirements of  
1268 this subsection.

1269 (2) This section shall apply to renewals of licenses  
1270 which expire after September 30, 1986. An applicant for first  
1271 renewal who has been licensed for not more than one year shall  
1272 not be required to comply with this section for the first  
1273 renewal of the applicant's license. Any licensee reaching the  
1274 age of 65 on or before September 30, 2000, and having been  
1275 licensed 10 years prior to that date shall be exempt from this  
1276 section.

1277 (3) Continuing education shall not result in a passing  
1278 or failing grade.

1279 (k) A licensee may request that the commission issue  
1280 his or her license ~~to~~as inactive status. Inactive licenses  
1281 shall be held at the commission office until activated. No act  
1282 for which a license is required shall be performed under an  
1283 inactive license.

1284 (1) If a licensee presents a form of payment to the  
1285 commission, or to any third party on the commission's behalf,  
1286 which is declined or rejected by a financial institution or  
1287 merchant service company, the licensee shall have 30 days upon  
1288 electronic notification from the commission to submit full and



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1289 valid payment for the initial fee or fine and an additional  
1290 fee for submitting the faulty payment, not to exceed the  
1291 maximum amount allowed by Section 8-8-15. Failure to submit  
1292 full and valid payment within 30 days of electronic  
1293 notification by the commission will result in the license  
1294 becoming inactive. Failure to submit full and valid payment  
1295 within six months after electronic notification by the  
1296 commission will result in the license lapsing."

1297 Section 9. Section 34-27-35, Code of Alabama 1975, is  
1298 amended to read as follows:

1299 "§34-27-35

1300 (a) The commission shall prescribe the form and content  
1301 of license certificates issued. Each qualifying broker's  
1302 license certificate shall show the name and business address  
1303 of the broker. The license certificate of each active  
1304 salesperson or associate broker shall show his or her name and  
1305 address. The license certificate of each active salesperson or  
1306 associate broker shall be delivered or mailed to his or her  
1307 qualifying broker. Each license certificate shall be kept by  
1308 the qualifying broker and shall be publicly displayed at the  
1309 address which appears on the license certificate.

1310 (b) The commission may establish a one-year or  
1311 multi-year license period.

1312 (c) (1) The fee for a temporary license shall be one  
1313 hundred fifty dollars (\$150). The original fee for a  
1314 ~~broker's~~broker license shall be one hundred fifty dollars  
1315 (\$150) ~~and, beginning with the license period effective~~  
1316 ~~October 1, 2002, the renewal fee for a broker's license shall~~





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1317 ~~be seventy-five dollars (\$75) per year for each year of the~~  
1318 ~~license period. The original fee for each salesperson's~~  
1319 ~~license shall be sixty-five dollars (\$65) per year for each~~  
1320 ~~year or portion of a year remaining in the respective license~~  
1321 ~~period, and the renewal fee for each salesperson's license~~  
1322 ~~shall be sixty-five dollars (\$65) per year for each year of~~  
1323 ~~the license period. The original fee for each company license~~  
1324 ~~shall be sixty-five dollars (\$65) per year for each year or~~  
1325 ~~portion of a year remaining in the respective license period,~~  
1326 ~~and the renewal fee for each license shall be sixty-five~~  
1327 ~~dollars (\$65) per year for each year of the license period.~~

1328 (2) ~~Beginning with the license period effective October~~  
1329 ~~1, 2004, the~~The renewal fee for a ~~broker's~~broker license shall  
1330 be ninety-five dollars (\$95) per year for each year of the  
1331 license period. The original fee for each  
1332 ~~salesperson's~~salesperson license shall be eighty-five dollars  
1333 (\$85) per year for each year or portion of a year remaining in  
1334 the respective license period, and the renewal fee for each  
1335 ~~salesperson's~~salesperson license shall be eighty-five dollars  
1336 (\$85) per year for each year of the license period. The  
1337 original fee for each company license shall be eighty-five  
1338 dollars (\$85) per year for each year or portion of a year  
1339 remaining in the respective license period, and the renewal  
1340 fee for each license shall be eighty-five dollars (\$85) per  
1341 year for each year of the license period.

1342 (d) ~~(1)~~ The renewal research and education fee shall be  
1343 ~~two~~seven dollars and fifty cents ~~(\$2.50)~~ (\$7.50) per year for  
1344 each year of the license period and shall be paid at the time



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1345 of license renewal by all brokers and salespersons in addition  
1346 to the license renewal fees set out in this section.  
1347 Collection of this fee shall apply to all broker and  
1348 salesperson renewals, except that brokers who hold more than  
1349 one ~~broker's~~broker license shall pay the fee for only one  
1350 license at each renewal.

1351 ~~(2) Beginning June 1, 2014, this fee shall be seven~~  
1352 ~~dollars and fifty cents (\$7.50), and the~~The proceeds shall be  
1353 distributed to the Alabama Center for Real Estate.

1354 (e) The original research and education fee shall be  
1355 thirty dollars (\$30) and shall be paid at the time of all  
1356 applications received ~~on and after October 15, 1995,~~ for  
1357 issuance of an original ~~broker's~~broker license, and shall be  
1358 paid at the time of all applications received ~~on and after~~  
1359 ~~October 15, 1995,~~ for issuance of a temporary  
1360 ~~salesperson's~~salesperson license. The original research and  
1361 education fee shall also be paid by reciprocal salespersons.  
1362 This is in addition to the original license fees set out in  
1363 this section. This thirty dollar (\$30) original research and  
1364 education fee is a one-time fee which no person shall be  
1365 required to pay more than once.

1366 (f) The license of a salesperson who is subsequently  
1367 issued a ~~broker's~~broker license automatically terminates upon  
1368 the issuance of his or her ~~broker's~~broker license ~~certificate.~~  
1369 ~~The salesperson's license certificate shall be returned to the~~  
1370 ~~commission in order for a broker's license to be issued.~~ No  
1371 refund shall be made of any fee or Recovery Fund deposit  
1372 pertaining to the ~~salesperson's, broker's, or~~



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1373 ~~company's~~salesperson, broker, or company license once it has  
1374 been in effect.

1375 (g) The commission shall prescribe a license renewal  
1376 form, which shall accompany renewal fees and which shall be  
1377 filed on or before ~~August 31~~September 30 of the final year of  
1378 each license period in order for the respective license to be  
1379 renewed on a timely basis for the following license period. ~~If~~  
1380 ~~any of the foregoing are filed during the period from~~  
1381 ~~September 1 through September 30 of the final year of a~~  
1382 ~~license period, the one hundred fifty dollar (\$150) penalty~~  
1383 ~~set out below shall be paid in addition to the renewal fees.~~  
1384 Failure to meet this September 30 deadline shall result in the  
1385 license expiring and being placed on inactive status on ~~the~~  
1386 ~~following~~ October 1, and the license shall be subject to all  
1387 reactivation requirements. ~~Reactivations shall be processed in~~  
1388 ~~the order received as evidenced by postmark or delivery date.~~  
1389 ~~Certified or registered mail may be used for reactivation in~~  
1390 ~~these cases.~~ Licensees filing ~~during the period from September~~  
1391 ~~1 of the final year of a license period through~~after September  
1392 30 of the initial year of a license period shall pay the  
1393 required license fee, plus a penalty of one hundred fifty  
1394 dollars (\$150).

1395 (h) ~~The renewal form shall be mailed by the commission~~  
1396 ~~to the licensee's place of business, if an active licensee, or~~  
1397 ~~to his or her residence, if an inactive licensee, prior to~~  
1398 ~~August 1 of the final year of each license period.~~ Each  
1399 licensee shall notify the commission in writing of any change  
1400 in his or her business or residence address within 30 days of



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1401 the change.

1402 (i) Every license shall expire at midnight on September  
1403 30 of the final year of each license period, except for a  
1404 temporary salesperson whose license becomes inactive 90 days  
1405 after issuance or a temporary broker whose license expires six  
1406 months after issuance. An expired license may be renewed  
1407 during the 12-month period following the license period for  
1408 which the license was current. A licensee who fails to renew  
1409 before the end of the 12-month period following the license  
1410 period for which the license was issued has a lapsed license,  
1411 and shall be subject to all requirements applicable to persons  
1412 who have never been licensed, however, the commission may upon  
1413 determination of hardship, allow later renewal upon payment of  
1414 all fees and penalties. An inactive license must be renewed in  
1415 the same manner as an active license.

1416 (j) (1) Each applicant for renewal of an active  
1417 salesperson or broker license issued by the commission shall,  
1418 on or before September 30 of the final year of each license  
1419 period, ~~submit~~ confirm through the commission's website proof  
1420 of completion of ~~not less than 15 clock~~ his or her continuing  
1421 education requirement hours of approved continuing education  
1422 course work ~~to the commission,~~ in addition to any other  
1423 requirements for renewal. A maximum of six one-clock-hour  
1424 courses shall be accepted by the commission as part of a  
1425 licensee's continuing education requirement. Failure to meet  
1426 this deadline shall result in the license being placed on  
1427 inactive status on the following October 1, and the license  
1428 shall be subject to all reactivation requirements.



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1429           (2) a. ~~Reactivations shall be processed in the order~~  
1430 ~~received as evidenced by postmark or delivery date. Certified~~  
1431 ~~or registered mail may be used for reactivation in this case.~~  
1432 Proof of ~~attendance at the~~completion of course work, whether  
1433 or not the applicant attained a passing grade in the course,  
1434 shall be sufficient to satisfy requirements for renewal. The  
1435 ~~15 clock hours' course work~~continuing education requirement  
1436 shall apply to each two-year license renewal, and hours in  
1437 excess of 15 shall not be ~~cumulated or credited for the~~  
1438 ~~purpose of~~applicable to subsequent license renewals. The  
1439 commission shall develop standards for approval of courses,  
1440 and shall require certification of the course work of the  
1441 applicant. No continuing education course shall be approved by  
1442 the commission unless the course is at least 60 minutes of  
1443 instruction.

1444           b. Time served as a member of the state Legislature  
1445 during each license renewal period shall be deemed the  
1446 equivalent of the ~~15 hours course work~~continuing education  
1447 requirement and shall satisfy the requirements of this  
1448 subsection.

1449           (3) ~~(2) This section shall apply to renewals of licenses~~  
1450 ~~which expire after September 30, 1986.~~ An applicant for first  
1451 renewal of an original license who has been licensed for not  
1452 more than one year shall not be required to comply with this  
1453 section for the first renewal of the applicant's license. ~~Any~~  
1454 ~~licensee reaching the age of 65 on or before September 30,~~  
1455 ~~2000, and having been licensed 10 years prior to that date~~  
1456 ~~shall be exempt from this section.~~



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1457           ~~(3)~~ (4) Continuing education shall not result in a  
1458 passing or failing grade.

1459           (k) A licensee may request that the commission issue  
1460 his or her license ~~to~~ in an inactive status. Inactive licenses  
1461 shall be held at the commission office until activated. No act  
1462 for which a license is required shall be performed under an  
1463 inactive license.

1464           (1) If a licensee presents a form of payment to the  
1465 commission, or to any third party on the commission's behalf,  
1466 which is declined or rejected by a financial institution or  
1467 merchant service company, the licensee shall have 30 days upon  
1468 electronic notification from the commission to submit full and  
1469 valid payment for the initial fee or fine and an additional  
1470 fee for submitting the faulty payment, not to exceed the  
1471 maximum amount allowed by Section 8-8-15. Failure to submit  
1472 full and valid payment within 30 days of electronic  
1473 notification by the commission will result in the license  
1474 becoming inactive. Failure to submit full and valid payment  
1475 within six months after electronic notification by the  
1476 commission will result in the license lapsing."

1477           Section 10. Section 34-27-36, Code of Alabama 1975, is  
1478 amended to read as follows:

1479           "§34-27-36

1480           (a) (1) The commission or its staff may on its own, or  
1481 on the verified complaint in writing of any person,  
1482 investigate the actions and records of a licensee. The  
1483 commission may issue subpoenas and compel the testimony of  
1484 witnesses and the production of records and documents during



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1485 an investigation. If probable cause is found, a formal  
1486 complaint shall be filed and the commission shall hold a  
1487 hearing on the formal complaint.

1488 (2) In each instance in which a person or entity  
1489 engages in any of the acts described in subsection (b) or is  
1490 found in violation of any of the conduct prohibited in  
1491 subsection (b), the commission may impose any of the following  
1492 penalties:

1493 a. Impose a fine of not less than one hundred dollars  
1494 (\$100) nor more than five thousand dollars (\$5,000).

1495 b. Require completion of approved education course or  
1496 courses in addition to the existing continuing education  
1497 requirements.

1498 c. Issue a public reprimand.

1499 d. Revoke or suspend any or all licenses held under

1500 this chapter by the person or entity ~~The commission shall~~  
1501 ~~revoke or suspend the license or impose a fine of not less~~  
1502 ~~than one hundred dollars (\$100) nor more than two thousand~~  
1503 ~~five hundred dollars (\$2,500), or both, or reprimand the~~  
1504 ~~licensee in each instance in which the licensee is found~~  
1505 ~~guilty of any of the following acts set out in this section.~~

1506 ~~The commission may revoke or suspend a license~~ until such time  
1507 as the licensee has completed an approved continuing education  
1508 course, and/or has made restitution to accounts containing  
1509 funds to be held for other parties, or both. The commission  
1510 may also stay the revocation or suspension of a license and  
1511 require completion of an approved education course ~~and/or,~~  
1512 require the making of restitution to accounts containing funds



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1513 to be held for other parties, or both.

1514 (b) A licensee is prohibited from doing any of the  
1515 following:

1516 (1) Procuring or attempting to procure, a license, for  
1517 himself or herself or another, by fraud, misrepresentation, or  
1518 deceit, or by making a material misstatement of fact in an  
1519 application for a license.

1520 (2) Engaging in misrepresentation or dishonest or  
1521 fraudulent acts when selling, buying, trading, or renting real  
1522 property of his or her own or of a spouse or child or parent.

1523 (3) Making a material misrepresentation, or failing to  
1524 disclose to a potential purchaser or lessee any latent  
1525 structural defect or any other defect known to the licensee.  
1526 Latent structural defects and other defects do not refer to  
1527 trivial or insignificant defects but refer to those defects  
1528 that would be a significant factor to a reasonable and prudent  
1529 person in making a decision to purchase or lease.

1530 (4) Making any false promises of a character likely to  
1531 influence, persuade, or induce any person to enter into any  
1532 contract or agreement.

1533 (5) Pursuing a continued and flagrant course of  
1534 misrepresentation or the making of false promises through  
1535 agents or salespersons or any medium of advertising or  
1536 otherwise.

1537 (6) Publishing or causing to be published any  
1538 advertisement which deceives or which is likely to deceive the  
1539 public, or which in any manner tends to create a misleading





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1540 impression or which fails to identify the person causing the  
1541 advertisement to be placed as a licensed broker or  
1542 salesperson.

1543 (7) Acting for more than one party in a transaction  
1544 without the knowledge and consent in writing of all parties  
1545 for whom he or she acts.

1546 (8)a. Failing, within a reasonable time, to properly  
1547 account for or remit money coming into his or her possession  
1548 which belongs to others, or commingling money belonging to  
1549 others with his or her own funds.

1550 b. Failing to deposit and account for at all times all  
1551 funds belonging to, or being held for others, in a separate  
1552 federally insured account or accounts in a financial  
1553 institution located in Alabama.

1554 c. Failing to keep for at least three years a complete  
1555 record of funds belonging to others showing to whom the money  
1556 belongs, date deposited, date of withdrawal, and other  
1557 pertinent information.

1558 (9) Placing a sign on any property offering it for  
1559 sale, lease, or rent without the consent of the owner.

1560 (10) Failing to voluntarily furnish a copy of each  
1561 listing, contract, lease, and other document to each party  
1562 executing the document with reasonable promptness.

1563 (11) Paying any profit, compensation, commission, or  
1564 fee to, or dividing any profit, compensation, commission, or  
1565 fee with, anyone other than a licensee or multiple listing  
1566 service. This subdivision shall not prevent an associate  
1567 broker or salesperson from owning any lawfully constituted



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1568 business organization, including, but not limited to, a  
1569 corporation or limited liability company or limited liability  
1570 corporation, for the purpose of receiving payments  
1571 contemplated in this subsection. The business organization  
1572 shall not be required to be licensed under this chapter, and  
1573 shall not engage in any other activity requiring a real estate  
1574 license.

1575 (12) Paying or receiving any rebate from any person in  
1576 a real estate transaction.

1577 (13) Inducing any party to a contract to ~~break~~breach  
1578 the contract for the purpose of substituting a new contract,  
1579 where the substitution is motivated by the personal gain of  
1580 the licensee.

1581 (14) If the licensee is a salesperson or associate  
1582 broker, accepting a commission or other valuable consideration  
1583 for performing any act for which a license is required from  
1584 any person except his or her qualifying broker.

1585 (15) If the licensee is a qualifying broker or company,  
1586 allowing a salesperson or associate broker licensed under him  
1587 or her to advertise himself or herself as a real estate agent  
1588 without the name or trade name of the qualifying broker or  
1589 company appearing prominently on the advertising; or if the  
1590 licensee is a salesperson or associate broker, advertising  
1591 himself or herself as a real estate agent without the name or  
1592 trade name of the qualifying broker or company under whom the  
1593 salesperson or associate broker is licensed appearing  
1594 prominently on the advertising. For purposes of this  
1595 subdivision, "prominently" means use of a font size that is



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1596 equal to or larger in size than any other text or logo in the  
1597 advertisement and situated and sized for the purpose of  
1598 gaining the attention of consumers viewing the advertisement.

1599 (16) ~~Presenting to the commission, as payment for a fee~~  
1600 ~~or fine, a check that is returned unpaid.~~ Failing, as the  
1601 buyer's agent, to notify the listing agent in writing within  
1602 three business days in the event that the buyer has not  
1603 deposited earnest money in accordance with a contract  
1604 requiring the buyer to deposit escrow funds with any person or  
1605 entity.

1606 b. Failing, as the listing agent, to notify his or her  
1607 client immediately if no written receipt of escrow funds has  
1608 been provided to the listing agent within three business days  
1609 of the time specified by the contract for deposit of escrow  
1610 funds.

1611 (17) Establishing an association, by employment or  
1612 otherwise, with an unlicensed person who is expected or  
1613 required to act as a licensee, or aiding, abetting, or  
1614 conspiring with a person to circumvent the requirements of  
1615 this chapter.

1616 (18) Failing to disclose to an owner the licensee's  
1617 intention to acquire, directly or indirectly, an interest in  
1618 property which he or she or his or her associates have been  
1619 employed to sell.

1620 (19) Violating or disregarding any provision of this  
1621 chapter or any rule, regulation, or order of the commission.

1622 (20) If a broker, ~~accepting~~ accepts a "net listing"  
1623 agreement for sale of real property or any interest therein. A



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1624 "net listing" is one that stipulates a net price to be  
1625 received by the owner with the excess due to be received by  
1626 the broker as his or her commission.

1627 (21) Misrepresenting or failing to disclose to any  
1628 lender, guaranteeing agency, or any other interested party,  
1629 the true terms of a sale of real estate.

1630 (22) Failing to inform the buyer or seller at the time  
1631 an offer is presented that he or she will be expected to pay  
1632 certain closing costs and the approximate amount of those  
1633 costs.

1634 (23)a. Having entered a plea of guilty or nolo  
1635 contendere to, or having been found guilty of or convicted of  
1636 a felony or a crime involving moral turpitude.

1637 b. Having a final money judgment rendered against him  
1638 or her which results from an act or omission occurring in the  
1639 pursuit of his or her real estate business or involves the  
1640 goodwill of an existing real estate business.

1641 (24) Offering free lots or conducting lotteries for the  
1642 purpose of influencing a party to purchase or lease real  
1643 estate.

1644 (25) a. Failing to ~~include a fixed date of expiration in~~  
1645 ~~a written listing agreement or failing to~~ leave a copy of the  
1646 written residential listing agreement or written residential  
1647 property management agreement with the principal.

1648 b. Failing to include a fixed date of expiration, not  
1649 to exceed one year from the date of commencement, in a written  
1650 residential listing agreement.

1651 c. Recording or filing a residential listing agreement



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1652 with a probate court or probate office to encumber the  
1653 property that is the subject of the listing agreement.

1654 (26) Conduct which constitutes or demonstrates  
1655 dishonest dealings, bad faith, or untrustworthiness.

1656 (27) Acting negligently or incompetently in performing  
1657 an act for which a person is required to hold a real estate  
1658 license.

1659 (28) Failing or refusing on demand to produce a  
1660 document, book, or record in his or her possession concerning  
1661 a real estate transaction conducted by him or her for  
1662 inspection by the commission or its authorized personnel or  
1663 representative.

1664 (29) Failing within a reasonable time to provide  
1665 information requested by the commission during an  
1666 investigation or after a formal complaint has been filed.

1667 (30) Failing without cause to surrender to the rightful  
1668 owner, on demand, a document or instrument coming into his or  
1669 her possession.

1670 (31) If the licensee is a qualifying broker or company,  
1671 failing to keep ~~in their files~~ copies of all contracts,  
1672 leases, listings, and other records pertinent to real estate  
1673 transactions for a period of three years.

1674 (32) When selling, offering to sell, assigning, or  
1675 offering to assign an equitable interest in a contract to  
1676 purchase residential real estate:

1677 a. Failing to disclose in writing to a potential buyer  
1678 that the holder of the equitable interest is not the deed  
1679 holder of the property and is only offering to sell or assign



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1680 his or her equitable interest; or

1681 b. Failing to disclose in writing to a seller both of  
1682 the following:

1683 1. The intent to assign an equitable interest in the  
1684 seller's real estate prior to offering to assign the interest.

1685 2. The assignment of the interest within three calendar  
1686 days following the assignment.

1687 ~~(b)~~ (c) If it appears that a person, ~~firm, corporation,~~  
1688 or ~~any~~ business entity has engaged, or is about to engage, in  
1689 an act or practice constituting a violation of Article 1 or 2  
1690 of this chapter or any rule or order of the commission, the  
1691 commission, through the Attorney General, may institute legal  
1692 actions to enjoin the act or practice and to enforce  
1693 compliance with Articles 1 and 2 of this chapter or any rule  
1694 or order of the commission. To prevail in an action, it shall  
1695 not be necessary to allege or prove either that an adequate  
1696 remedy at law does not exist or that substantial or  
1697 irreparable damage would result from the continued violation.

1698 ~~(e)~~ (d) (1) Notwithstanding any other provisions of law,  
1699 the commission may issue an order requiring any accused  
1700 person, firm, corporation, or business entity to cease and  
1701 desist from engaging in activities requiring a license under  
1702 this chapter when the accused person, firm, corporation, or  
1703 business entity is not licensed under this chapter. The order  
1704 shall be entered by the executive director after a finding of  
1705 probable cause by the commission staff. The order shall become  
1706 final 15 days after its service upon the accused, unless the  
1707 accused requests a hearing before the commission. Upon hearing



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1708 the case and finding violations, the commission may make the  
1709 cease and desist order final and the commission may impose a  
1710 fine for each violation in an amount consistent with the range  
1711 of fines applicable to licensees, and in addition, may impose  
1712 a fine in the amount of any gain or economic benefit that was  
1713 derived from the violation, and in addition, may impose a fine  
1714 in the amount of the commission's costs incurred. Any fines  
1715 not paid as ordered shall be enforceable in any court with  
1716 competent jurisdiction and proper venue.

1717 (2) Notwithstanding any other provisions of law, the  
1718 commission may decline to issue an order requiring any accused  
1719 person, firm, corporation, or business entity to cease and  
1720 desist from engaging in activities requiring a license under  
1721 this chapter when the accused person, firm, corporation, or  
1722 business entity is not licensed under this chapter. In this  
1723 instance, the commission shall proceed to give appropriate  
1724 notice of the violations and hold a hearing thereon. Upon  
1725 hearing the case and finding violations, the commission may  
1726 impose a fine for each violation in an amount consistent with  
1727 the range of fines applicable to licensees, and in addition,  
1728 may impose a fine in the amount of any gain or economic  
1729 benefit that was derived from the violation, and in addition,  
1730 may impose a fine in the amount of the commission's costs  
1731 incurred. Any fine or fines not paid as ordered shall be  
1732 enforceable in any court with competent jurisdiction and  
1733 proper venue.

1734 ~~(d)~~ (e) The commission shall notify the licensee and  
1735 qualifying broker in writing regarding the complaint.



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1736           ~~(e)~~ (f) The commission shall notify the complainant,  
1737 licensee, and qualifying broker in writing regarding the  
1738 disposition of the complaint."

1739           Section 11. Section 34-27-39 is added to the Code of  
1740 Alabama 1975, to read as follows:

1741           §34-27-39

1742           (a) No licensee shall advertise or market as a team,  
1743 group, or other affiliation unless actively licensed as a team  
1744 by the commission.

1745           (b) The leader of any licensed team shall at a minimum  
1746 be a licensed Alabama associate broker.

1747           (c) A broker wishing to license a team must complete  
1748 the team license application established by the commission.  
1749 The application must be authorized by the leader of the  
1750 proposed team and the team leader's qualifying broker. The  
1751 application must include the name and license number of all  
1752 licensees that will initially be a member of the team.

1753           (d) The commission may establish a one-year or  
1754 multi-year team license period.

1755           (e) The original fee for each team license shall be one  
1756 hundred dollars (\$100) per year or portion of a year remaining  
1757 in the respective license period, and the renewal fee for each  
1758 team license shall be one hundred dollars (\$100) per year for  
1759 each year of the license period. Team licenses must be renewed  
1760 by September 30 of the final year of a licensing period, or  
1761 the team shall be inactivated and subject to reactivation  
1762 requirements. The fee to reactivate a team shall be fifty  
1763 dollars (\$50).





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1764 (f) To dissolve a team, the request must be made as  
1765 prescribed by the commission and approved by the team leader  
1766 and the team leader's qualifying broker.

1767 (g) To change the name of a team, the fee shall be  
1768 fifty dollars (\$50), and the request must be made as  
1769 prescribed by the commission and approved by the team leader  
1770 and the team leader's qualifying broker.

1771 (h) To add or remove a member from a team, the fee  
1772 shall be twenty-five dollars (\$25) per member who is added or  
1773 removed. The request must be made as prescribed by the  
1774 commission and approved by the team leader and the team  
1775 leader's qualifying broker.

1776 (i) The team leader, the team leader's qualifying  
1777 broker, and the company's qualifying broker are all  
1778 responsible for supervising team members.

1779 (j) The team leader and the team leader's qualifying  
1780 broker are responsible for notifying the team members if a  
1781 team member is removed from a team or the team is dissolved or  
1782 inactivated.

1783 (k) No person shall be a member on more than one  
1784 licensed team.

1785 (l) The commission shall adopt rules addressing teams  
1786 and what words may or may not be used in a team name and how  
1787 teams may advertise and market.

1788 Section 12. Sections 34-27-81, 34-27-82, 34-27-83,  
1789 34-27-84, 34-27-85, and 34-27-86, Code of Alabama 1975, are  
1790 amended to read as follows:

1791 "§34-27-81



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1792 As used in this article, the following words ~~shall~~ have  
1793 the following meanings:

1794 (1) AGENCY AGREEMENT. A written agreement between a  
1795 broker and a client which creates a fiduciary relationship  
1796 between the broker and a ~~principal, who is commonly referred~~  
1797 ~~to as a client~~consumer.

1798 (2) BROKER. Any person licensed as a real estate broker  
1799 pursuant to Articles 1 and 2 of this chapter.

1800 (3) BROKERAGE AGREEMENT. A specific written agreement  
1801 between a ~~brokerage firm~~real estate company and a consumer  
1802 which establishes a brokerage relationship. The brokerage  
1803 agreement shall contain a statement of the terms and  
1804 conditions of the brokerage services to be provided.

1805 (4) BROKERAGE SERVICE. Any service, except for rental  
1806 or property management services, provided by a broker or  
1807 licensee to another person and includes all activities for  
1808 which a real estate license is required under Articles 1 and 2  
1809 of this chapter.

1810 (5) ~~CONSUMER. A person who obtains information, advice,~~  
1811 ~~or services concerning real estate from a real estate~~  
1812 ~~licensee~~CLIENT. A person who has an agency agreement with a  
1813 broker for brokerage service, whether he or she is buyer or  
1814 seller.

1815 (6) ~~CLIENT. A person who has an agency agreement with a~~  
1816 ~~broker for brokerage service, whether he or she be buyer or~~  
1817 ~~seller~~CONSUMER. A person who obtains information, advice, or  
1818 services concerning real estate from a real estate licensee.

1819 (7) CUSTOMER. A person who is provided brokerage



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1820 services by a broker or licensee but who is not a client of  
1821 the broker.

1822 (8) DESIGNATED SINGLE AGENT. An agency agreement in  
1823 which two or more licensed individuals under the same  
1824 qualifying broker each represent a different party in the  
1825 transaction, as designated by the qualifying broker. In this  
1826 circumstance, neither the qualifying broker nor other  
1827 licensees involved in the transaction shall be assumed to have  
1828 imputed knowledge.

1829 ~~(8)~~ (9) DUAL AGENCY. An agency relationship agreement in  
1830 which the same brokerage firm licensee, with informed written  
1831 consent of all parties to a transaction, represents both the  
1832 seller and the buyer in the same real estate transaction once  
1833 all parties have signed the agreement. Circumstances which  
1834 establish a dual agency include, but are not limited to, one  
1835 of the following:

1836 ~~a. When two or more licensees licensed under the same~~  
1837 ~~broker each represent a different party to the transaction.~~

1838 ~~b. When one licensee represents both the buyer and~~  
1839 ~~seller in a real estate transaction.~~

1840 (10) IMPUTED KNOWLEDGE. Knowledge attributed to a party  
1841 because of his or her position, relationship to another party,  
1842 or responsibility for another party.

1843 ~~(9)~~ (11) INFORMED CONSENT. A consumer's agreement to  
1844 allow something to happen which is based upon full disclosure  
1845 of facts needed to choose appropriate brokerage services.

1846 ~~(10)~~ (12) LICENSEE. Any broker, salesperson, or company.

1847 ~~(11) LIMITED CONSENSUAL DUAL AGENT. A licensee who,~~



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1848 ~~with the written informed consent of all parties to a~~  
1849 ~~contemplated real estate transaction, is engaged as an agent~~  
1850 ~~for both the buyer and seller. Circumstances which establish~~  
1851 ~~dual agency include, but are not limited to, one of the~~  
1852 ~~following:~~

1853 ~~a. When two or more licensees licensed under the same~~  
1854 ~~broker each represent a different party to the transaction.~~

1855 ~~b. When one licensee represents both the buyer and~~  
1856 ~~seller in a real estate transaction.~~

1857 ~~(12)~~ (13) MATERIAL FACT. A fact that is of significance  
1858 to a reasonable party which affects the party's decision to  
1859 enter into a real estate contract.

1860 ~~(13)~~ (14) QUALIFYING BROKER. A broker under whom a  
1861 corporation, partnership, branch office, or lawfully  
1862 constituted business organization, as the Legislature may from  
1863 time to time provide, is licensed, or a broker licensed to do  
1864 business as a sole proprietorship who is responsible for  
1865 supervising the acts of the company, or proprietorship and all  
1866 real estate licensees licensed therewith.

1867 ~~(14)~~ (15) REAL ESTATE TRANSACTION. The purchase, sale,  
1868 lease and rental, option, or exchange of an interest in real  
1869 estate.

1870 ~~(15)~~ (16) SINGLE AGENT. A licensee who has an agency  
1871 agreement and is engaged by and represents only one party in a  
1872 real estate transaction. A single agent ~~includes, but is not~~  
1873 ~~limited to, one~~ may be only one of the following:

1874 a. Buyer's agent, which means a broker or licensee who  
1875 is engaged by and represents only the buyer in a real estate



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1876 transaction.

1877 b. Seller's agent, which means a broker or licensee who  
1878 is engaged by and represents only the seller in a real estate  
1879 transaction.

1880 ~~(16) SUB-AGENT. A licensee who is empowered to act for~~  
1881 ~~another broker in performing real estate brokerage tasks for a~~  
1882 ~~principal, and who owes the same duties to the principal as~~  
1883 ~~the agent of the principal.~~

1884 (17) TRANSACTION ~~BROKER~~FACILITATOR. The term has the  
1885 same meaning as "Transaction Broker" provided in Act 98-618.  
1886 The term also includes a licensee who assists one or more  
1887 parties in a contemplated real estate transaction without  
1888 being an agent or fiduciary or advocate for the interest of  
1889 that party to a transaction."

1890 "§34-27-82

1891 (a) When engaged in any real estate transaction, the  
1892 licensee may act as a single agent, ~~sub-agent, a limited~~  
1893 ~~consensual~~-dual agent, or as a transaction ~~broker~~facilitator.

1894 (b) At the initial contact between a licensee and the  
1895 consumer and until such time a ~~broker~~licensee enters into a  
1896 specific written agreement to establish an agency relationship  
1897 with one or more of the parties to a transaction, the licensee  
1898 shall be considered a transaction facilitator and not ~~be~~  
1899 ~~considered~~-an agent of that consumer. An agency relationship  
1900 shall not be assumed, implied, or created without a written  
1901 bilateral agreement signed by the licensee and the consumer  
1902 establishing the terms of the agency relationship.

1903 (c) As soon as reasonably possible and before any



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1904 confidential information is disclosed to any other person by a  
1905 licensee, the licensee shall provide a written disclosure form  
1906 to a consumer for signature describing the ~~alternative~~ types  
1907 of brokerage services, as identified in subsection (a), that  
1908 are available to clients and customers of real estate  
1909 brokerage companies. The licensee shall also inform a consumer  
1910 as to the specific types of brokerage services that are  
1911 provided by his or her company. A broker shall not be required  
1912 to offer or engage in any one or in all of the ~~alternative~~  
1913 brokerage ~~arrangements~~services specified in subsection (a).  
1914 The licensee will provide a written form to the consumer for  
1915 their signature describing the ~~alternative~~ types of brokerage  
1916 ~~arrangements~~services available. All rental or property  
1917 management services are excluded from the requirements of this  
1918 subsection.

1919 (d) A licensee shall not be required to comply with the  
1920 provisions of subsection (c) when engaged in transactions with  
1921 any corporation, ~~non-profit~~nonprofit corporation, professional  
1922 corporation, professional association, limited liability  
1923 company, partnership, any partnership created under the  
1924 Uniform Partnership Act (commencing at Section 10-8A-101),  
1925 real estate investment trust, business trust, charitable  
1926 trust, family trust, or any governmental entity in  
1927 transactions involving real estate.

1928 (e) After disclosure, the consumer may make an  
1929 affirmative election of a specific type of brokerage  
1930 ~~arrangement~~service that is available from the real estate  
1931 brokerage company. The brokerage agreement shall contain a



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1932 statement of the terms and conditions of the brokerage  
1933 services that the ~~broker~~company will provide. In the absence  
1934 of a signed brokerage agreement between the parties, the  
1935 transaction ~~brokerage~~facilitator relationship shall remain in  
1936 effect.

1937 (f) When serving as a transaction ~~broker~~facilitator,  
1938 the duties of the licensee to all the parties to a real estate  
1939 transaction are limited to those which are enumerated in  
1940 Section 34-27-84. A signed brokerage agreement between the  
1941 parties or, in the absence of a signed brokerage agreement,  
1942 the continuation of the transaction ~~brokerage~~facilitator  
1943 relationship, shall constitute informed consent by the  
1944 consumer as to the services the consumer shall receive from  
1945 the broker.

1946 (g) Disclosure forms shall be provided to buyers and  
1947 sellers. All real estate ~~brokerage—firms~~companies operating  
1948 within the State of Alabama shall use the same agency  
1949 disclosure forms. Disclosure forms describing the alternative  
1950 types of brokerage services identified above shall be written  
1951 by the Alabama Real Estate Commission.

1952 (h) Each offer to purchase shall prominently display a  
1953 representation disclosure clause in the following form,  
1954 completed and initialed as indicated:

1955 The listing licensee, \_\_\_\_\_, is:

1956  An agent of the seller.

1957  A dual agent.

1958  Assisting the seller as a transaction facilitator.

1959 The selling licensee, \_\_\_\_\_, is:



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- 1960             An agent of the buyer.
- 1961             A dual agent.
- 1962             Assisting the buyer as a transaction facilitator.

1963            ~~(h)~~ (i) Nothing in this section shall prohibit the  
1964 consumer from entering into a written contract with a  
1965 qualifying broker which contains provisions for services not  
1966 specifically identified in the written disclosure form."

1967            "§34-27-83

1968            Any qualifying broker acting in a real estate  
1969 transaction shall adopt a written agency disclosure office  
1970 policy which specifically enumerates the types of brokerage  
1971 ~~service arrangements~~ services a licensee may offer or accept.

1972            (a) The qualifying broker for each ~~brokerage~~ real estate  
1973 company shall provide every licensee a copy of the agency  
1974 disclosure policy regarding the types of brokerage services  
1975 offered by their company. This policy shall be explained to  
1976 all licensees at least once a year.

1977            (b) A form acknowledging receipt of the agency  
1978 disclosure office policy ~~statement~~ and a satisfactory  
1979 explanation of its contents shall be signed by each licensee  
1980 and a copy retained by the ~~brokerage~~ real estate company for  
1981 three years."

1982            "§34-27-84

1983            (a) Licensees shall have all of the following  
1984 obligations to all parties in a real estate transaction:

1985            (1) To provide brokerage services to all parties to the  
1986 transaction honestly and in good faith.

1987            (2) To exercise reasonable skill and care in providing





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1988 brokerage services to all parties.

1989 (3) To keep confidential any information given to the  
1990 licensee in confidence, or any information obtained by the  
1991 licensee that the licensee knows a reasonable individual would  
1992 want to keep confidential, unless disclosure of this  
1993 information is required by law, ~~violates a fiduciary duty to a~~  
1994 ~~client, becomes public knowledge,~~ or is authorized by the  
1995 party in writing, or the information becomes public knowledge,  
1996 or the failure to disclose the information violates a  
1997 fiduciary duty to a client.

1998 (4) To account for all property coming into the  
1999 possession of the licensee that belongs to any party to the  
2000 real estate transaction.

2001 (5) When assisting a party in the negotiation of a real  
2002 estate transaction, to present all written offers in a timely  
2003 and truthful manner.

2004 (6) To act on behalf of the licensee or his or her  
2005 immediate family, or on behalf of any other individual,  
2006 organization, or business entity in which the licensee has a  
2007 personal interest only with prior timely written disclosure of  
2008 this interest to all parties to the transaction.

2009 (b) A licensee may provide requested information which  
2010 affects a transaction to any party who requests the  
2011 information, unless disclosure of the information is  
2012 prohibited by law or in this article.

2013 (c) When accepting an agreement to list an owner's  
2014 property for sale, the ~~broker or his or her~~ licensee shall, at  
2015 a minimum, accept delivery of and present to the consumer all



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2016 offers, counteroffers, and addenda to assist the consumer in  
2017 negotiating offers, counteroffers, and addenda, and to answer  
2018 the consumer's questions relating to the transaction."

2019 "§34-27-85

2020 (a) In addition to the duties enumerated in Section  
2021 34-27-84, a licensee shall provide all of the following  
2022 services to clients:

2023 (1) Loyally represent the best interests of the client  
2024 by placing the interests of the client ahead of the interests  
2025 of any other party, unless loyalty to a client violates the  
2026 duties of the licensee to other parties under Section  
2027 34-27-84, or is otherwise prohibited by law.

2028 (2) Disclose to the client all information known by the  
2029 licensee that is material to the transaction and not  
2030 discoverable by the client through reasonable investigation  
2031 and observation, except for confidential information as  
2032 provided in subdivision (a)(3) ~~of subsection (a)~~ of Section  
2033 34-27-84. A licensee shall have no affirmative duty to  
2034 discover the information.

2035 (3) Fulfill any obligation required by the agency  
2036 agreement, and any lawful instructions of the client that are  
2037 within the scope of the agency agreement, that are not  
2038 inconsistent with other duties as enumerated in this article.

2039 (b) A ~~broker~~licensee who represents more than one  
2040 client in a real estate transaction owes the duties as  
2041 specified in subsection (a) to each client, except where the  
2042 duties to one client will violate the fiduciary duties of the  
2043 licensee to other clients.



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2044 (c) A ~~broker~~licensee may provide brokerage services as  
2045 a ~~limited-consensual~~-dual agent only with the prior written,  
2046 informed consent of all clients of the ~~broker~~licensee in the  
2047 transaction."

2048 "§34-27-86

2049 (a) A client is not liable for a misrepresentation made  
2050 by a ~~broker~~licensee in connection with the ~~broker~~licensee  
2051 providing brokerage services unless the client knows or should  
2052 have known of the misrepresentation or the ~~broker~~licensee is  
2053 repeating a misrepresentation made by the client to the  
2054 ~~broker~~licensee.

2055 (b) A licensee shall not be liable for providing false  
2056 information to a party in a real estate transaction if the  
2057 false information was provided to the licensee by a client of  
2058 the licensee or by a customer or by another licensee unless  
2059 the licensee knows or should have known that the information  
2060 was false."

2061 Section 13. Sections 1, 3, 4, 7, 8, 10, and 12 shall  
2062 become effective on October 1, 2024; Sections 5, 6, 9, and 11  
2063 shall become effective on October 1, 2026, and shall apply to  
2064 licenses issued or renewed on or after that date; and Section  
2065 2 shall become effective on October 1, 2027, and shall apply  
2066 to licenses issued or renewed on or after that date.