



SYNOPSIS:

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

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

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

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

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

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

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

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



salesperson, and temporary salesperson licensees.

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

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

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

A BILL  
TO BE ENTITLED  
AN ACT

Relating to licensed real estate professionals and companies; to amend Sections 34-27-6, 34-27-32, 34-27-33, 34-27-34, and 34-27-35, Code of Alabama 1975; to provide certain requirements related to training, qualifications and licensure of real estate companies, brokers, and salespersons; and to make nonsubstantive, technical revisions to update the existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§34-27-6

(a) For purposes of this section and rules adopted



pursuant thereto, the following terms~~shall~~ have the following meanings:

(1) ACCREDITED SCHOOL. Any nonprofit college or university that meets the standards of an accrediting agency recognized by the U.S. Department of Education and offering any approved course.

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

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

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

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

(5) CONTINUING EDUCATION COURSE. Any course of instruction approved by the commission as continuing education required to renew or activate a salesperson or broker license and that is not less than 60 minutes.

(6) CONTINUING EDUCATION SCHOOL. Any private



educational institution or organization offering only  
commission-approved continuing education courses. The term  
does not include an accredited school.

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

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

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

(9) PRELICENSE COURSE. Any course of instruction  
approved by the commission as education required to apply for  
a temporary salesperson license or a broker license.

(10) PRELICENSE INSTRUCTOR. An instructor of approved  
courses offered at a prelicense school.

~~(7)~~ (11) LICENSED PRELICENSE SCHOOL. ~~Any proprietary A~~  
school, whether a principal or branch school, that is licensed  
by the commission, including any for-profit college, to offer  
~~that offers commission approved~~ commission-approved prelicense  
courses ~~or postlicense courses, or both, only after being~~  
~~licensed and bonded by the commission.~~ and, in addition, may  
offer commission-approved continuing education courses. The  
term does not include an accredited school.

~~(8)~~ (12) PRINCIPAL SCHOOL. ~~A prelicense school Any~~  
~~institution or organization which~~ that is ~~the~~ a primary school  
and not a branch school that is approved by the commission and



113 bonded pursuant to this section.

114 ~~(9) PROPRIETARY SCHOOL. Any school that is not an~~  
115 ~~accredited college or university and which offers commission~~  
116 ~~approved prelicense courses or postlicense courses, or both,~~  
117 ~~only after being licensed and bonded by the commission. Each~~  
118 ~~branch school shall be licensed separately.~~

119 (b) The commission shall ~~approve and regulate schools~~  
120 ~~that offer commission approved prelicense, postlicense, and~~  
121 ~~continuing education courses. The commission shall be the~~  
122 ~~board, commission, or agency with the sole and~~ have exclusive  
123 authority to license and regulate ~~proprietary prelicense~~  
124 ~~schools and their branches~~ for the limited purpose of their  
125 offerings of ~~commission~~ approved prelicense courses and, when  
126 applicable, continuing education courses ~~prelicense courses or~~  
127 ~~postlicense courses, or both~~ and approve continuing education  
128 schools for the purpose of their offerings of continuing  
129 education courses. The commission may not regulate accredited  
130 schools, except that the commission shall publish all exam  
131 results by school.

132 (c) (1) The commission shall require ~~proprietary~~  
133 principal schools to ~~furnish~~ obtain a surety bond issued by a  
134 surety company authorized to do business in this state,  
135 payable to the commission in ~~the amount of~~ an amount not to  
136 exceed twenty thousand dollars (\$20,000) ~~. with a surety~~  
137 ~~company authorized to do business in Alabama, which bond shall~~  
138 ~~provide~~ The bond shall provide that the obligor ~~therein~~ shall  
139 pay ~~up to~~ an amount not exceeding twenty thousand dollars  
140 (\$20,000) in the aggregate sum of all judgments ~~which shall be~~



recovered against the school for damages arising from the school's collection of tuition or fees, or both, from students, but failing to provide the complete instruction for which such tuition or fees were collected. The bond shall cover any branch schools named in the bond or any endorsement or amendment of or to the bond.

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

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

(2) The commission shall charge an approval fee for each continuing education school in the amount of one hundred dollars (\$100) per year for each year or portion of a year remaining in the respective approval period. The renewal fee



for each continuing education school shall be fifty dollars (\$50) for each year of the approval period.

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

(f) ~~Principal schools~~ The signage for each principal school and branch school shall ~~be~~ clearly ~~identified by signage~~ indicate the name of the school in a manner as appropriate for ~~the~~ its location. The signage ~~shall set out the name of the principal school. Branch schools shall be clearly identified by signage as appropriate for the location. The signage shall set out~~ for each branch school shall also indicate ~~the name of the branch school and~~ the name of the principal school.

(g) (1) The commission ~~shall have the authority to~~ may reprimand, fine, suspend for a period up to two years, or revoke the license or approval of any school, administrator, or instructor for any violation of this section or any rule of the commission. The fine shall be not less than one hundred dollars (\$100) nor more than ~~two thousand five hundred dollars (\$2,500)~~ five thousand dollars (\$5,000) per ~~count~~ violation.

(2) When the average passage rate for first-time examinees who have taken a school's prelicense course for the applicable broker or salesperson license examination is below 40 percent for six months, the commission shall notify the school and request a performance improvement plan. Failure to provide the performance improvement plan or sufficient



evidence of likely improvement in the performance improvement plan to the commission within one month of notification shall result in the suspension of the school until the commission, in its discretion, receives such sufficient evidence.

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

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

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

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





225 a. Teaching commission-approved courses.

226 b. Offering commission-approved courses.

227 c. Performing any duties of an administrator, including  
228 registering students, advertising a school, reporting course  
229 schedules to the commission, or entering student credit for  
230 completed courses.

231 (2)a. A school, administrator, or instructor whose  
232 license or approval is inactive shall renew the inactive  
233 license or approval in the same manner as an active license or  
234 approval.

235 b. Notwithstanding paragraph a., no continuing  
236 education shall be required for a prelicense instructor to  
237 renew his or her inactive approval.

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

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

250 (4) A school, administrator, or instructor whose  
251 license or approval is inactive shall pay a fee to the  
252 commission not to exceed fifty dollars (\$50) per license or



approval to activate its license or approval.

(5) An active prelicense instructor whose broker license is inactive must complete the continuing education requirements for both an active prelicense instructor and an active broker license.

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

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

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

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

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

~~(j) The~~ (1) (1) Except as provided in subdivision (2), the  
commission shall approve courses and establish and collect



fees ~~as determined~~ deemed necessary, in an amount not to exceed one hundred dollars (\$100) per application, to review each course.

(2)a. The commission shall certify synchronous distance education prelicense courses and establish and collect fees deemed necessary, in an amount not to exceed four hundred dollars (\$400) per application that meets the qualifications in this section.

b. The commission shall certify synchronous continuing education courses to be taught using distance education and establish and collect fees deemed necessary, in an amount not to exceed four hundred dollars (\$400) per application for a course over three hours and a fee of one hundred dollars (\$100) per application for a course three hours or less, that meets the qualifications provided in this section, except the number of students may be limited to no more than 150 for such courses.

c. The commission shall examine all of the following when considering certifying a synchronous distance education course:

1. The course or program mission statement.
2. Course design.
3. Interactivity.
4. Delivery.
5. Equipment.
6. The learning environment.
7. Student support services.
8. Educational effectiveness and assessment of student



learning outcomes.

d. Notwithstanding paragraphs(2)a. and b., the commission may accept but may not require certification of a synchronous distance education prelicense or continuing education course by any private, independent entity.

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

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

"§34-27-32

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

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

(2) Is a person whose application for a real estate ~~license~~ license has not been rejected in any state on any grounds other than failure to pass a written examination within the two years prior to the application for a real estate ~~license~~ license with Alabama. If the applicant's rejection for a real estate ~~license~~ license in any state is



more than two years from the date of application for ~~licensure~~  
with a license in Alabama, then the applicant may not be  
issued an Alabama real estate license without the approval of  
the commissioners.

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

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

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

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

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



any county of the State of Alabama.

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

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

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

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

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



~~commission~~. A person who holds a current broker license in another state, including persons who move to and become residents of Alabama, shall apply for a reciprocal broker license on a form prescribed by the commission.

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

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

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



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

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

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

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

a. Successfully completed a 60-hour course in broker basics approved by the commission.

b. Passed a broker license examination within 180 days after completing the broker basics course.

c. Within 90 days after passing the license examination, successfully completed a 60-hour course in broker professional development approved by the commission.

(4) Any other information requested by the commission.

~~(d)~~ (e) (1) A person who does not hold a current real estate salesperson license in another state desiring to be a real estate salesperson in this state shall apply for a temporary ~~salesperson's~~ salesperson license with the





commission ~~on a form prescribed by the commission which shall specify the real estate office to which he or she is registered.~~ Along with the application he or she shall ~~furnish~~ provide all of the following:

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

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

1. Successfully completed a 60-hour salesperson basics course approved by the commission within a 12-month period.

2. Passed a license examination within 180 days after completing the salesperson basics course.

3. Within 90 days after completing the license examination, successfully completed a 60-hour course in salesperson professional development approved by the commission.

c. Either: (i) a signed acknowledgement of the applicant's qualifying broker, who shall hold an active Alabama license, that the applicant is in his or her opinion honest, trustworthy, and of good reputation, and that the broker accepts responsibility for the actions of the salesperson as set out in Section 34-27-31; or (ii) a request to place the temporary license on inactive status when issued.

~~(3)~~ d. Any other information required by the commission.

(2) The application for a temporary salesperson license must be dated within 90 days of completing the salesperson professional development course.



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

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

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

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

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

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

(3) ~~He or she will be doing business from the same location.~~ All companies for which he or she is and proposes to



505 be the qualifying broker share the same company address.

506 (j) A person licensed under a qualifying broker may be  
507 engaged by one or more companies with the same qualifying  
508 broker.

509 (k) A person may utilize any branch of a company under  
510 which he or she is licensed.

511 ~~(i)~~ (l) A company license shall become invalid on the  
512 death or disability of a qualifying broker. Within 30 days  
513 after the death or disability, the corporation, or the  
514 remaining partners or the successor partnership, if any, may  
515 designate another of its officers, members, or salespersons to  
516 apply for a license as temporary qualifying broker. The person  
517 designated as temporary qualifying broker shall either be a  
518 broker or have been a salesperson for at least one year prior  
519 to filing the application. If the application is granted, the  
520 company may operate under that temporary qualifying broker for  
521 no more than six months after ~~the death or disability of its~~  
522 ~~former qualifying broker~~ the commission issues the temporary  
523 qualifying broker license. Unless the company designates a  
524 fully licensed broker as the qualifying broker within the ~~six~~  
525 ~~months~~ six-month period, the company license and all licenses  
526 under the company shall be classified inactive by the  
527 commission after two weeks prior electronic notice.

528 ~~(j)~~ (m) The commission shall require both state and  
529 national criminal history background checks to issue a  
530 license. Applicants shall submit required information and  
531 fingerprints to the commission, Federal Bureau of  
532 Investigation, Alabama State Law Enforcement Agency, or its



533 successor, or to a fingerprint processing service that may be  
534 selected by the commission for this purpose. Criminal history  
535 record information shall be provided to the commission from  
536 both the State of Alabama and the Federal Bureau of  
537 Investigation. The commission can use the provided criminal  
538 history for the determination of the qualifications and  
539 fitness of the applicant to hold a real estate license. The  
540 applicant shall assume the cost of the criminal history check.  
541 The criminal history ~~must~~ shall be current to the issuance of  
542 the license.

543 ~~(k)~~ (n) The commission may charge a fee of ten dollars  
544 (\$10) for furnishing any person a copy of a license,  
545 certificate, or other official record of the ~~commissioner~~  
546 commission.

547 (o) The commission shall adopt rules to administer this  
548 section in accordance with the Administrative Procedure Act."

549 "§34-27-33

550 (a) (1) ~~In addition to other~~ In accordance with the  
551 requirements of ~~this chapter~~ Section 34-27-32, every applicant  
552 for a ~~broker's~~ broker or ~~salesperson's~~ salesperson license  
553 shall submit to a reasonable written examination. The  
554 commission shall conduct examinations at places and times it  
555 prescribes. The commission may contract with an independent  
556 testing agency to prepare, grade, or conduct the examination.

557 (2) ~~Effective October 1, 2001, and thereafter, the~~ The  
558 fee for each examination and the provisions for payment and  
559 forfeiture shall be as specified in the contract with the  
560 independent testing agency.



561 (b) Upon receipt of an application and accompanying  
562 materials satisfying the requirements for a broker license  
563 under Section 34-27-32, the commission shall issue a broker's  
564 original license or classify the license as inactive.

565 ~~(b)~~ (c) Upon receipt of an application and accompanying  
566 materials satisfying the requirements for a temporary  
567 salesperson license under Section 34-27-32, ~~Within 90 days~~  
568 ~~after passing the examination, the applicant shall secure a~~  
569 ~~qualifying broker and meet all requirements of this chapter~~  
570 ~~and the board~~ the commission shall issue a temporary ~~an active~~  
571 license or classify the license as inactive. ~~In order to~~  
572 ~~obtain an active license, the applicant's qualifying broker~~  
573 ~~shall sign and submit to the commission a sworn statement that~~  
574 ~~the applicant is in his or her opinion honest, trustworthy,~~  
575 ~~and of good reputation and that the broker accepts~~  
576 ~~responsibility for the actions of the salesperson as set out~~  
577 ~~in Section 34-27-31. The applicant's qualifying broker shall~~  
578 ~~be licensed in Alabama.~~

579 ~~(c) (1) On passing the examination and complying with~~  
580 ~~all other conditions for licensure, a temporary license~~  
581 ~~certificate shall be issued to the applicant.~~ The applicant is  
582 not licensed until he or she or his or her qualifying broker  
583 actually receives the temporary license ~~certificate.~~ A  
584 ~~temporary license shall be valid only for a period of one year~~  
585 ~~following the first day of the month after its issuance.~~ The  
586 holder of a temporary license shall conduct any activity  
587 requiring a license under the guidance of a broker, or a  
588 salesperson who has had an active salesperson license for five



589 or more years.

590 ~~(2) (d) (1)~~ The holder of a temporary license shall not  
591 be issued an original license until ~~he or she has~~  
592 ~~satisfactorily completed a 30-hour post-license course~~  
593 ~~prescribed by the commission.~~ all of the following are  
594 submitted to the commission:

595 a. Proof of successfully completing a 15-hour  
596 orientation as prescribed by the commission in the applicant's  
597 real estate practice area.

598 b. A complete core competencies checklist on a form  
599 prescribed by the commission and signed by the applicant's  
600 qualifying broker.

601 (2) The If the holder of a temporary salesperson license  
602 ~~must complete the course~~ fails to submit the application for  
603 an original license with required documentation within ~~six~~  
604 ~~months of~~ 90 days after issuance of his or her temporary  
605 license, ~~and have his or her original license issued,~~  
606 ~~otherwise~~ his or her temporary license ~~certificate~~ shall  
607 automatically be placed on inactive status by the commission.  
608 ~~During the remaining six months his or her temporary license~~  
609 ~~is valid, the holder of a temporary license may complete the~~  
610 ~~course and have his or her original license issued. If the~~  
611 ~~holder of a temporary license does not complete the course and~~  
612 ~~have his or her original license issued within one year~~  
613 ~~following the first day of the month after its issuance, the~~  
614 ~~temporary license shall automatically expire and lapse. A~~  
615 ~~temporary license is not subject to renewal procedures in this~~  
616 ~~chapter and may not be renewed.~~



617 (e) (1) The holder of an inactive temporary license  
618 shall renew the license prior to the license renewal deadline  
619 if an original license has not yet been issued. If a temporary  
620 license remains inactive for more than three years, the  
621 licensee shall retake the salesperson professional development  
622 course prior to activating the temporary license.

623 (2) An inactive temporary licensee who has not  
624 completed the requirements under subdivision (d) (1) shall  
625 activate the temporary license in order to complete the  
626 requirements and apply for an original salesperson license.

627 (3) In order to have ~~a~~ the status of an inactive  
628 temporary license ~~issued~~ changed to active status, the  
629 applicant shall pay the Recovery Fund fee specified in this  
630 chapter. ~~The holder of a temporary license shall, upon~~  
631 ~~satisfactory completion of the course, pay the original~~  
632 ~~license fee specified in this chapter to have his or her~~  
633 ~~original license issued.~~ An applicant for an original license  
634 who has paid the Recovery Fund fee specified in this chapter  
635 shall not be required to pay another Recovery Fund fee in  
636 order to have his or her original license issued.

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

642 ~~(d) This section shall become effective for licenses~~  
643 ~~issued beginning October 1, 1993.~~

644 (f) A temporary salesperson license shall be valid for



10 years following the first day of the month after its issuance."

"§34-27-34

(a) (1) ~~A broker may serve as qualifying broker for a salesperson or associate broker only if licensed in Alabama, his or her principal business is that of a real estate broker, and he or she shall be in a position to actually supervise the real estate activities of the associate broker or salesperson on a full-time basis.~~ A person licensed as a broker in this state may serve as a qualifying broker over a salesperson or an associate broker if all of the following conditions are satisfied:

a. Real estate is his or her principal business.

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

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

d. He or she has completed a 15-hour qualifying broker course approved by the commission.

(2) A person licensed as a qualifying broker or equivalent in another state who has obtained a reciprocal broker license in Alabama may serve as a qualifying broker over a salesperson or associate broker if all of the following conditions are satisfied:

a. Real estate is his or her principal business.

b. He or she is in a position to supervise the real estate activities of the salesperson or associate broker on a





full-time basis.

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

d. He or she has completed the six-hour course required in Section 34-27-32(c)(1).

(3) A person licensed as a broker in another state who is not a qualifying broker may serve as a qualifying broker over a salesperson or associate broker in Alabama if all of the following conditions are satisfied:

a. Real estate is his or her principal business.

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

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

d. He or she has completed a 15-hour qualifying broker course approved by the commission.

~~-(2)-(4)~~ a. A salesperson or associate broker shall not perform acts for which a license is required unless licensed under a qualifying broker.

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



701 c. ~~Additionally, the~~ qualifying broker shall be  
702 responsible to an injured party for the damage caused by any  
703 violation of this chapter by any licensee engaged by the  
704 qualifying broker. This subsection does not relieve a licensee  
705 from liability that he or she would otherwise have.

706 ~~(3)~~ d. The qualifying ~~brokers'~~ broker's supervision  
707 responsibilities, as prescribed herein, over the real estate  
708 activities of associate brokers and salespersons licensed  
709 under him or her are not intended to and should not be  
710 construed as creating an employer-employee relationship  
711 contrary to any expressed intent of the qualifying broker and  
712 licensee to the contrary.

713 (b) (1) Any salesperson or associate broker who desires  
714 to change his or her qualifying broker shall give notice in  
715 writing to the commission, and shall send a copy of the notice  
716 to his or her qualifying broker. ~~The new qualifying broker~~  
717 ~~shall file with the commission a request for the transfer and~~  
718 ~~a statement assuming liability for the licensee~~ In order to  
719 transfer a license, the applicant's new qualifying broker  
720 shall acknowledge to the commission that the applicant is in  
721 his or her opinion honest, trustworthy, and of good reputation  
722 and that the broker accepts responsibility for the actions of  
723 the salesperson as set out in Section 34-27-31.

724 (2) On payment of a fee of twenty-five dollars (\$25), a  
725 new license ~~certificate~~ shall be issued to the new qualifying  
726 broker on behalf of the salesperson or associate broker for  
727 the unexpired term of the original license. A fee of  
728 twenty-five dollars (\$25) shall also be charged for any of the



following license changes:

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

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

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

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

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

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

(c) A ~~person~~ qualifying broker who wishes to terminate his or her responsibility ~~status as qualifying broker~~ for a licensee may do so by notifying the licensee and ~~the commission in writing and sending the licensee's license~~



~~certificate to the commission or verifying in writing to the~~  
~~commission that the certificate has been lost or destroyed~~  
placing the licensee's license on inactive status with the  
commission.

(d) A person who wishes to terminate his or her status as a qualifying broker for a company may do so by submitting written notice to the company or, when applicable, the qualifying broker or an officer of the parent company and the commission.

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

"§34-27-35

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

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

(c) (1) The fee for a temporary salesperson license



785 shall be one hundred fifty dollars (\$150). The original fee  
786 for a ~~broker's~~ broker license shall be one hundred fifty  
787 dollars (\$150) ~~and, beginning with the license period~~  
788 ~~effective October 1, 2002, the renewal fee for a broker's~~  
789 ~~license shall be seventy-five dollars (\$75) per year for each~~  
790 ~~year of the license period. The original fee for each~~  
791 ~~salesperson's license shall be sixty-five dollars (\$65) per~~  
792 ~~year for each year or portion of a year remaining in the~~  
793 ~~respective license period, and the renewal fee for each~~  
794 ~~salesperson's license shall be sixty-five dollars (\$65) per~~  
795 ~~year for each year of the license period. The original fee for~~  
796 ~~each company license shall be sixty-five dollars (\$65) per~~  
797 ~~year for each year or portion of a year remaining in the~~  
798 ~~respective license period, and the renewal fee for each~~  
799 ~~license shall be sixty-five dollars (\$65) per year for each~~  
800 ~~year of the license period.~~

801 (2) ~~Beginning with the license period effective October~~  
802 ~~1, 2004, the~~ The renewal fee for a ~~broker's~~ broker license  
803 shall be ninety-five dollars (\$95) per year for each year of  
804 the license period. The original fee for each ~~salesperson's~~  
805 salesperson license shall be eighty-five dollars (\$85) per  
806 year for each year or portion of a year remaining in the  
807 respective license period, and the renewal fee for each  
808 ~~salesperson's~~ salesperson license shall be eighty-five dollars  
809 (\$85) per year for each year of the license period. The  
810 original fee for each company license shall be eighty-five  
811 dollars (\$85) per year for each year or portion of a year  
812 remaining in the respective license period, and the renewal



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

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

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

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

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



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

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

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



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

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

(j) (1) Each applicant for renewal of an active  
salesperson or broker license issued by the commission ~~shall,~~  
on or before September 30 of the final year of each license  
period, ~~submit~~ shall confirm through the commission's website  
proof of completion of not less than 15 clock hours of  
approved continuing education course work ~~to the commission,~~  
in addition to any other requirements for renewal. A maximum





of six 60-minute courses shall be accepted by the commission as part of a licensee's continuing education requirement.

Failure to meet this deadline shall result in the license being placed on inactive status on the following October 1, and the license shall be subject to all reactivation requirements.

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

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

~~(2) (3) This section shall apply to renewals of licenses which expire after September 30, 1986.~~ An applicant for first renewal of an original license who has been licensed for not



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

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

(5) Continuing education requirements are not required to be satisfied to renew an inactive license.

(6) All of the following are continuing education requirements to activate an inactive original salesperson or broker license for the first time in a license period:

a. For a salesperson or broker license on inactive status for three years or less, the current 15-hour continuing education requirements, which shall not count toward continuing education requirements at the next license renewal.

b. For a salesperson license on inactive status for more than three years, the 60-hour salesperson professional development course shall be completed.

c. For a broker license on inactive status for more than three years, the 60-hour broker professional development course shall be completed.

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

Section 2. This act shall become effective on October



953 1, 2028.