

HB225 ENGROSSED



1 HB225
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3 By Representatives Hollis, Wood (D)
4 RFD: Boards, Agencies and Commissions
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HB225 Engrossed

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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



HB225 Engrossed

29 ~~prelicense or continuing education~~ principal school ~~or branch~~
30 ~~school~~ and approved by the commission to be the person
31 responsible to the commission for all acts governed by this
32 chapter and applicable rules ~~which~~ that govern the operation
33 of schools.

34 ~~(2)~~ (3) APPROVED COURSE. Any course of instruction
35 approved by the commission that satisfies commission
36 requirements for prelicense education, ~~postlicense education,~~
37 or continuing education.

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

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

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

49 (6) CONTINUING EDUCATION SCHOOL. Any private
50 educational institution or organization offering only
51 commission-approved continuing education courses. The term
52 does not include an accredited school.

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

56 ~~(5)~~ INSTRUCTIONAL SITE. Any physical place where



HB225 Engrossed

57 ~~commission approved instruction is conducted apart from the~~
58 ~~principal school or branch school.~~

59 ~~(6)~~ (8) INSTRUCTOR. A person approved by the commission
60 to teach approved courses in ~~the~~ a classroom or by distance
61 education.

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

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

67 ~~(7)~~ (11) LICENSED PRELICENSE SCHOOL. ~~Any proprietary A~~
68 ~~school, whether a principal or branch school, that is licensed~~
69 ~~by the commission, including any for-profit college, to offer~~
70 ~~that offers commission approved~~ commission-approved prelicense
71 ~~courses or postlicense courses, or both, only after being~~
72 ~~licensed and bonded by the commission.~~ and, in addition, may
73 offer commission-approved continuing education courses. The
74 term does not include an accredited school.

75 ~~(8)~~ (12) PRINCIPAL SCHOOL. ~~A prelicense school~~ Any
76 ~~institution or organization which~~ that is ~~the~~ a primary school
77 and not a branch school that is approved by the commission and
78 bonded pursuant to this section.

79 ~~(9) PROPRIETARY SCHOOL.~~ ~~Any school that is not an~~
80 ~~accredited college or university and which offers commission~~
81 ~~approved prelicense courses or postlicense courses, or both,~~
82 ~~only after being licensed and bonded by the commission. Each~~
83 ~~branch school shall be licensed separately.~~

84 (b) The commission shall ~~approve and regulate schools~~



HB225 Engrossed

85 ~~that offer commission approved prelicense, postlicense, and~~
86 ~~continuing education courses. The commission shall be the~~
87 ~~board, commission, or agency with the sole and~~ have exclusive
88 authority to license and regulate proprietary prelicense
89 ~~schools and their branches~~ for the limited purpose of their
90 offerings of ~~commission approved~~ prelicense courses and, when
91 applicable, continuing education courses ~~prelicense courses or~~
92 ~~postlicense courses, or both~~ and approve continuing education
93 schools for the purpose of their offerings of continuing
94 education courses. The commission may not regulate accredited
95 schools, except that the commission shall publish all exam
96 results by school.

97 (c) (1) The commission shall require ~~proprietary~~
98 principal schools to ~~furnish~~ obtain a surety bond issued by a
99 surety company authorized to do business in this state,
100 payable to the commission in the amount of an amount not to
101 exceed twenty thousand dollars (\$20,000). ~~with a surety~~
102 ~~company authorized to do business in Alabama, which bond shall~~
103 ~~provide~~ The bond shall provide that the obligor ~~therein~~ shall
104 ~~pay up to~~ an amount not exceeding twenty thousand dollars
105 (\$20,000) in the aggregate sum of all judgments ~~which shall be~~
106 recovered against the school for damages arising from the
107 school's collection of tuition or fees, or both, from
108 students, but failing to provide the complete instruction for
109 which such tuition or fees were collected. The bond shall
110 cover any branch schools named in the bond or any endorsement
111 or amendment of or to the bond.

112 (2) The bond shall remain in effect as long as the



HB225 Engrossed

113 school is licensed. In the event the bond is revoked or
114 ~~eancelled~~ canceled by the surety company, the school shall
115 have 10 days after cancellation or revocation to obtain a new
116 bond and file ~~it~~ the bond with the commission. Failure to
117 maintain a bond shall result in the immediate suspension of
118 the licenses of the school and all of its ~~branches~~ branch
119 schools. ~~The bond shall be provided by the school and shall~~
120 ~~also cover any branch schools named in the bond or any~~
121 ~~endorsement or amendment thereto.~~

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

130 (2) The commission shall charge an approval fee for
131 each continuing education school in the amount of one hundred
132 dollars (\$100) per year for each year or portion of a year
133 remaining in the respective approval period. The renewal fee
134 for each continuing education school shall be fifty dollars
135 (\$50) for each year of the approval period.

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

140 ~~(f) Principal schools~~ The signage for each principal



HB225 Engrossed

141 ~~school and branch school shall be clearly identified by~~
142 ~~signage indicate the name of the school in a manner as~~
143 ~~appropriate for the its location. The signage shall set out~~
144 ~~the name of the principal school. Branch schools shall be~~
145 ~~clearly identified by signage as appropriate for the location.~~
146 ~~The signage shall set out~~ for each branch school shall also
147 indicate the name of the branch school and the name of the
148 principal school.

149 (g) ~~(1) The commission shall have the authority to may~~
150 ~~reprimand, fine, suspend for a period up to two years, or~~
151 ~~revoke the license or approval of any school, administrator,~~
152 ~~or instructor for any violation of this section or any rule of~~
153 ~~the commission. The fine shall be not less than one hundred~~
154 ~~dollars (\$100) nor more than two thousand five hundred dollars~~
155 ~~(\$2,500)~~ five thousand dollars (\$5,000) per count violation.

156 (2) When the average passage rate for first-time
157 examinees who have taken a school's prelicense course for the
158 applicable broker or salesperson license examination is below
159 40 percent for six months, the commission shall notify the
160 school and request a performance improvement plan. Failure to
161 provide the performance improvement plan or sufficient
162 evidence of likely improvement in the performance improvement
163 plan to the commission within one month of notification shall
164 result in the suspension of the school until the commission,
165 in its discretion, receives such sufficient evidence.

166 (h) The commission shall approve, sponsor, contract for
167 or conduct, or assist in sponsoring or conducting real estate
168 courses for licensees, and may charge fees, and may incur and



HB225 Engrossed

169 pay the necessary related expenses ~~in connection therewith.~~

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

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

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

190 a. Teaching commission-approved courses.

191 b. Offering commission-approved courses.

192 c. Performing any duties of an administrator, including
193 registering students, advertising a school, reporting course
194 schedules to the commission, or entering student credit for
195 completed courses.

196 (2)a. A school, administrator, or instructor whose



HB225 Engrossed

197 license or approval is inactive shall renew the inactive
198 license or approval in the same manner as an active license or
199 approval.

200 b. Notwithstanding paragraph a., no continuing
201 education shall be required for a prelicense instructor to
202 renew his or her inactive approval.

203 (3)a. A prelicense instructor whose approval is
204 inactive for three years or less and who renews his or her
205 inactive approval as required by this subsection may activate
206 his or her approval for the first time in an approval period
207 by completing all continuing education required for prelicense
208 instructors that remains incomplete from the current and any
209 previous approval period.

210 b. A prelicense instructor whose approval is inactive
211 for more than three years may activate his or her approval by
212 completing all training required by the commission and any
213 continuing education required during the current approval
214 period.

215 (4) A school, administrator, or instructor whose
216 license or approval is inactive shall pay a fee to the
217 commission not to exceed fifty dollars (\$50) per license or
218 approval to activate its license or approval.

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

223 (k) (1) The license or approval of a school,
224 administrator, or instructor shall expire at midnight on



HB225 Engrossed

225 September 30 of the final year of each license or approval
226 period.

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

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

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

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

244 ~~(j)~~ (1) (1) Except as provided in subdivision (2), the
245 commission shall approve courses and establish and collect
246 fees ~~as determined~~ deemed necessary, in an amount not to
247 exceed one hundred dollars (\$100) per application, to review
248 each course.

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



HB225 Engrossed

253 in this section.

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

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

- 266 1. The course or program mission statement.
- 267 2. Course design.
- 268 3. Interactivity.
- 269 4. Delivery.
- 270 5. Equipment.
- 271 6. The learning environment.
- 272 7. Student support services.
- 273 8. Educational effectiveness and assessment of student
274 learning outcomes.

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

279 ~~(k)~~ (m) The commission shall establish one-year or
280 multi-year license or approval periods for schools,



HB225 Engrossed

281 instructors, administrators, and courses. Approval and license
282 periods shall run from October 1 of the first year of the
283 license or approval period through September 30 of the final
284 year of the approval period.

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

288 "§34-27-32

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

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

296 (2) Is a person whose application for a real estate
297 ~~licensure~~ license has not been rejected in any state on any
298 grounds other than failure to pass a written examination
299 within the two years prior to the application for a real
300 ~~estate licensure~~ license with Alabama. If the applicant's
301 rejection for a real estate ~~licensure~~ license in any state is
302 more than two years from the date of application for ~~licensure~~
303 ~~with~~ a license in Alabama, then the applicant may not be
304 issued an Alabama real estate license without the approval of
305 the commissioners.

306 (3) Is a person whose real estate license has not been
307 revoked in any state within the two years prior to application
308 for a real estate ~~licensure with~~ license in Alabama. If the



HB225 Engrossed

309 applicant's real estate ~~licensure~~ license revocation in any
310 state, including Alabama, is more than two years from the date
311 of application for ~~licensure~~ with a license in Alabama, then
312 the applicant may not be issued an Alabama real estate license
313 without the approval of the commissioners.

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

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

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

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

331 "I hereby appoint the Executive Director or the
332 Assistant Executive Director of the Alabama Real Estate
333 Commission as my agent upon whom all disciplinary, judicial,
334 or other process or legal notices may be served. I agree that
335 any service upon my agent shall be the same as service upon me
336 and that certified copies of this appointment shall be deemed



HB225 Engrossed

337 sufficient evidence and shall be admitted into evidence with
338 the same force and effect as the original might be admitted. I
339 agree that any lawful process against me which is served upon
340 my agent shall be of the same legal force and validity as if
341 personally served upon me and that this appointment shall
342 continue in effect for as long as I have any liability
343 remaining in the State of Alabama. I understand that my agent
344 shall, within a reasonable time after service upon him or her,
345 mail a copy of the service by certified mail, return receipt
346 requested, to me at my last known business address.

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

350 _____ Legal Signature of Applicant"

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

354 ~~(b)~~ (c) (1) a. A person who holds a current real estate
355 salesperson license in another state, including persons who
356 move to and become residents of Alabama, shall apply for a
357 reciprocal salesperson license ~~on a form prescribed by the~~
358 ~~commission~~. A person who holds a current broker license in
359 another state, including persons who move to and become
360 residents of Alabama, shall apply for a reciprocal broker
361 license on a form prescribed by the commission.

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



HB225 Engrossed

365 information required by the commission. The applicant shall
366 also show proof that he or she has completed at least six
367 hours of course work in Alabama real estate which is approved
368 by the commission. Applicants for a reciprocal license shall
369 not be subject to the complete examination or temporary
370 license requirements of Section 34-27-33, but shall pass a
371 reasonable written examination prepared by the commission on
372 the subject of Alabama real estate. A person who holds a
373 reciprocal license shall show proof of completion of
374 continuing education either by meeting the requirements of
375 Section 34-27-35 or by showing proof that his or her other
376 state license remains active in that state.

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

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

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



HB225 Engrossed

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

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

399 (3) Proof that he or she has ~~completed a course in real~~
400 ~~estate approved by the commission, which shall be a minimum of~~
401 ~~60 clock hours.~~ satisfied all of the following:

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

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

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

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

410 ~~(d)~~ (e) (1) A person who does not hold a current real
411 estate salesperson license in another state desiring to be a
412 real estate salesperson in this state shall apply for a
413 temporary ~~salesperson's~~ salesperson license with the
414 ~~commission on a form prescribed by the commission which shall~~
415 ~~specify the real estate office to which he or she is~~
416 ~~registered.~~ Along with the application he or she shall ~~furnish~~
417 provide all of the following:

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

420 ~~(2)~~ b. Proof that he or she has ~~successfully completed a~~



HB225 Engrossed

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

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

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

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

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

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

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

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

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

448 ~~(g)~~ (h) If the applicant for a company or broker license



HB225 Engrossed

449 maintains more than one place of business in the state, he or
450 she shall have a company or branch office license for each
451 separate location or branch office. Every application shall
452 state the location of the company or branch office and the
453 name of ~~its~~ the company's qualifying broker. Each company or
454 branch office shall be under the direction and supervision of
455 a qualifying broker licensed at that address. No person may
456 serve as qualifying broker at more than one location. The
457 qualifying broker for the branch office and the qualifying
458 broker for the company shall share equal responsibility for
459 the real estate activities of all licensees assigned to the
460 branch office or company.

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

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

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

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

471 (j) A person licensed under a qualifying broker may be
472 engaged by one or more companies with the same qualifying
473 broker.

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

476 ~~(i)~~ (l) A company license shall become invalid on the



HB225 Engrossed

477 death or disability of a qualifying broker. Within 30 days
478 after the death or disability, the corporation, or the
479 remaining partners or the successor partnership, if any, may
480 designate another of its officers, members, or salespersons to
481 apply for a license as temporary qualifying broker. The person
482 designated as temporary qualifying broker shall either be a
483 broker or have been a salesperson for at least one year prior
484 to filing the application. If the application is granted, the
485 company may operate under that temporary qualifying broker for
486 no more than six months after ~~the death or disability of its~~
487 ~~former qualifying broker~~ the commission issues the temporary
488 qualifying broker license. Unless the company designates a
489 fully licensed broker as the qualifying broker within the ~~six~~
490 ~~months~~ six-month period, the company license and all licenses
491 under the company shall be classified inactive by the
492 commission after two weeks prior electronic notice.

493 ~~(j)~~ (m) The commission shall require both state and
494 national criminal history background checks to issue a
495 license. Applicants shall submit required information and
496 fingerprints to the commission, Federal Bureau of
497 Investigation, Alabama State Law Enforcement Agency, or its
498 successor, or to a fingerprint processing service that may be
499 selected by the commission for this purpose. Criminal history
500 record information shall be provided to the commission from
501 both the State of Alabama and the Federal Bureau of
502 Investigation. The commission can use the provided criminal
503 history for the determination of the qualifications and
504 fitness of the applicant to hold a real estate license. The



HB225 Engrossed

505 applicant shall assume the cost of the criminal history check.
506 The criminal history ~~must~~ shall be current to the issuance of
507 the license.

508 ~~(*)~~ (n) The commission may charge a fee of ten dollars
509 (\$10) for furnishing any person a copy of a license,
510 certificate, or other official record of the ~~commissioner~~
511 commission.

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

514 "§34-27-33

515 (a) (1) ~~In addition to other~~ In accordance with the
516 requirements of ~~this chapter~~ Section 34-27-32, every applicant
517 for a ~~broker's~~ broker or ~~salesperson's~~ salesperson license
518 shall submit to a reasonable written examination. The
519 commission shall conduct examinations at places and times it
520 prescribes. The commission may contract with an independent
521 testing agency to prepare, grade, or conduct the examination.

522 (2) ~~Effective October 1, 2001, and thereafter, the~~ The
523 fee for each examination and the provisions for payment and
524 forfeiture shall be as specified in the contract with the
525 independent testing agency.

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

530 ~~(b)~~ (c) Upon receipt of an application and accompanying
531 materials satisfying the requirements for a temporary
532 salesperson license under Section 34-27-32, ~~Within 90 days~~



HB225 Engrossed

533 ~~after passing the examination, the applicant shall secure a~~
534 ~~qualifying broker and meet all requirements of this chapter~~
535 ~~and the board~~ the commission shall issue a temporary ~~an active~~
536 license or classify the license as inactive. ~~In order to~~
537 ~~obtain an active license, the applicant's qualifying broker~~
538 ~~shall sign and submit to the commission a sworn statement that~~
539 ~~the applicant is in his or her opinion honest, trustworthy,~~
540 ~~and of good reputation and that the broker accepts~~
541 ~~responsibility for the actions of the salesperson as set out~~
542 ~~in Section 34-27-31. The applicant's qualifying broker shall~~
543 ~~be licensed in Alabama.~~

544 ~~(c) (1) On passing the examination and complying with~~
545 ~~all other conditions for licensure, a temporary license~~
546 ~~certificate shall be issued to the applicant. The applicant is~~
547 ~~not licensed until he or she or his or her qualifying broker~~
548 ~~actually receives the temporary license certificate. A~~
549 ~~temporary license shall be valid only for a period of one year~~
550 ~~following the first day of the month after its issuance. The~~
551 holder of a temporary license shall conduct any activity
552 requiring a license under the guidance of a broker, or a
553 salesperson who has had an active salesperson license for five
554 or more years.

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

560 a. Proof of successfully completing a 15-hour



HB225 Engrossed

561 orientation as prescribed by the commission in the applicant's
562 real estate practice area.

563 b. A complete core competencies checklist on a form
564 prescribed by the commission and signed by the applicant's
565 qualifying broker.

566 (2) The~~If the holder of a temporary salesperson license~~
567 ~~must complete the course~~ fails to submit the application for
568 an original license with required documentation within six
569 ~~months of~~ 90 days after issuance of his or her temporary
570 license, ~~and have his or her original license issued,~~
571 ~~otherwise~~ his or her temporary license ~~certificate~~ shall
572 automatically be placed on inactive status by the commission.
573 ~~During the remaining six months his or her temporary license~~
574 ~~is valid, the holder of a temporary license may complete the~~
575 ~~course and have his or her original license issued. If the~~
576 ~~holder of a temporary license does not complete the course and~~
577 ~~have his or her original license issued within one year~~
578 ~~following the first day of the month after its issuance, the~~
579 ~~temporary license shall automatically expire and lapse. A~~
580 ~~temporary license is not subject to renewal procedures in this~~
581 ~~chapter and may not be renewed.~~

582 (e) (1) The holder of an inactive temporary license
583 shall renew the license prior to the license renewal deadline
584 if an original license has not yet been issued. If a temporary
585 license remains inactive for more than three years, the
586 licensee shall retake the salesperson professional development
587 course prior to activating the temporary license.

588 (2) An inactive temporary licensee who has not



HB225 Engrossed

589 completed the requirements under subdivision (d) (1) shall
590 activate the temporary license in order to complete the
591 requirements and apply for an original salesperson license.

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

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

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

609 (f) A temporary salesperson license shall be valid for
610 10 years following the first day of the month after its
611 issuance."

612 "§34-27-34

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



HB225 Engrossed

617 ~~real estate activities of the associate broker or salesperson~~
618 ~~on a full-time basis.~~ A person licensed as a broker in this
619 state may serve as a qualifying broker over a salesperson or
620 an associate broker if all of the following conditions are
621 satisfied:

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

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

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

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

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

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

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

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

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

643 (3) A person licensed as a broker in another state who
644 is not a qualifying broker may serve as a qualifying broker



HB225 Engrossed

645 over a salesperson or associate broker in Alabama if all of
646 the following conditions are satisfied:

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

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

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

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

655 ~~(2)~~ (4) a. A salesperson or associate broker shall not
656 perform acts for which a license is required unless licensed
657 under a qualifying broker.

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

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

671 ~~(3)~~ d. The qualifying ~~brokers'~~ broker's supervision
672 responsibilities, as prescribed herein, over the real estate



HB225 Engrossed

673 activities of associate brokers and salespersons licensed
674 under him or her are not intended to and should not be
675 construed as creating an employer-employee relationship
676 contrary to any expressed intent of the qualifying broker and
677 licensee to the contrary.

678 (b) (1) Any salesperson or associate broker who desires
679 to change his or her qualifying broker shall give notice in
680 writing to the commission, and shall send a copy of the notice
681 to his or her qualifying broker. ~~The new qualifying broker~~
682 ~~shall file with the commission a request for the transfer and~~
683 ~~a statement assuming liability for the licensee~~ In order to
684 transfer a license, the applicant's new qualifying broker
685 shall acknowledge to the commission that the applicant is in
686 his or her opinion honest, trustworthy, and of good reputation
687 and that the broker accepts responsibility for the actions of
688 the salesperson as set out in Section 34-27-31.

689 (2) On payment of a fee of twenty-five dollars (\$25), a
690 new license ~~certificate~~ shall be issued to the new qualifying
691 broker on behalf of the salesperson or associate broker for
692 the unexpired term of the original license. A fee of
693 twenty-five dollars (\$25) shall also be charged for any of the
694 following license changes:

695 ~~(1)~~ a. Change of qualifying broker by a company or sole
696 proprietorship. The fee is paid for the license or licenses on
697 which the current and new qualifying brokers' names appear. In
698 cases where a company has a branch office or offices and the
699 main office qualifying broker is changed, the fee is paid for
700 each branch office license and for the license of each branch



HB225 Engrossed

701 qualifying broker. The new qualifying broker shall notify the
702 commission of this change, in writing, within 30 days after
703 the change.

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

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

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

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

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

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

726 (d) A person who wishes to terminate his or her status
727 as a qualifying broker for a company may do so by submitting
728 written notice to the company or, when applicable, the



HB225 Engrossed

729 qualifying broker or an officer of the parent company and the
730 commission.

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

736 "§34-27-35

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

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

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



HB225 Engrossed

757 ~~year for each year or portion of a year remaining in the~~
758 ~~respective license period, and the renewal fee for each~~
759 ~~salesperson's license shall be sixty-five dollars (\$65) per~~
760 ~~year for each year of the license period. The original fee for~~
761 ~~each company license shall be sixty-five dollars (\$65) per~~
762 ~~year for each year or portion of a year remaining in the~~
763 ~~respective license period, and the renewal fee for each~~
764 ~~license shall be sixty-five dollars (\$65) per year for each~~
765 ~~year of the license period.~~

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

780 (d) (1) The renewal research and education fee shall be
781 two dollars and fifty cents (\$2.50) per year for each year of
782 the license period and shall be paid at the time of license
783 renewal by all brokers and salespersons in addition to the
784 license renewal fees set out in this section. Collection of



HB225 Engrossed

785 this fee shall apply to all broker and salesperson renewals,
786 except that brokers who hold more than one ~~broker's~~ broker
787 license shall pay the fee for only one license at each
788 renewal.

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

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

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



HB225 Engrossed

813 (g) The commission shall prescribe a license renewal
814 form, which shall accompany renewal fees and ~~which shall be~~
815 filed on or before ~~August 31~~ September 30 of the final year of
816 each license period in order for the respective license to be
817 renewed on a timely basis for the following license period. ~~If~~
818 ~~any of the foregoing are filed during the period from~~
819 ~~September 1 through September 30 of the final year of a~~
820 ~~license period, the one hundred fifty dollar (\$150) penalty~~
821 ~~set out below shall be paid in addition to the renewal fees.~~
822 Failure to meet this September 30 deadline shall result in the
823 license expiring and being placed on inactive status on ~~the~~
824 ~~following~~ October 1, and the license shall be subject to all
825 reactivation requirements. ~~Reactivations shall be processed in~~
826 ~~the order received as evidenced by postmark or delivery date.~~
827 ~~Certified or registered mail may be used for reactivation in~~
828 ~~these cases.~~ Licensees filing ~~during the period from~~ September
829 ~~1 of the final year of a license period through~~ after
830 September 30 of the initial year of a license period shall pay
831 the required license fee, plus a penalty of one hundred fifty
832 dollars (\$150).

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

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



HB225 Engrossed

841 30 of the final year of each license period, except for a
842 temporary salesperson whose license becomes inactive six
843 months after issuance or a temporary broker whose license
844 expires six months after issuance. An expired license may be
845 renewed during the 12-month period following the license
846 period for which the license was current. A licensee who fails
847 to renew before the end of the 12-month period following the
848 license period for which the license was issued has a lapsed
849 license, and shall be subject to all requirements applicable
850 to persons who have never been licensed, however, the
851 commission may upon determination of hardship, allow later
852 renewal upon payment of all fees and penalties. An inactive
853 license must be renewed in the same manner as an active
854 license.

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

868 (2) a. Reactivations shall be processed in the order



HB225 Engrossed

869 ~~received as evidenced by postmark or delivery date. Certified~~
870 ~~or registered mail may be used for reactivation in this case.~~
871 Proof of ~~attendance at the~~ completion of course work, whether
872 or not the applicant attained a passing grade in the course,
873 shall be sufficient to satisfy requirements for renewal. The
874 ~~15 clock hours' course work~~ continuing education requirement
875 shall apply to each two-year license renewal, and hours in
876 excess of 15 shall not be ~~cumulated or credited for the~~
877 ~~purpose of~~ applicable to subsequent license renewals. The
878 commission shall develop standards for approval of courses,
879 and shall require certification of the course work of the
880 applicant. No continuing education course shall be approved by
881 the commission unless the course is at least 60 minutes of
882 instruction.

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

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

895 ~~(3) (4)~~ Continuing education shall not result in a
896 passing or failing grade.



HB225 Engrossed

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

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

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

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

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

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

917 Section 2. This act shall become effective on October
918 1, 2028.



HB225 Engrossed

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House of Representatives

Read for the first time and referred06-Feb-25
to the House of Representatives
committee on Boards, Agencies and
Commissions

Read for the second time and placed05-Mar-25
on the calendar:
0 amendments

Read for the third time and passed17-Apr-25
as amended
Yeas 102
Nays 0
Abstains 0

John Treadwell
Clerk