

HB225 ENROLLED



1 HB225
2 CXYP6QW-3
3 By Representatives Hollis, Wood (D)
4 RFD: Boards, Agencies and Commissions
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Enrolled, 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



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29 approved by the commission that satisfies commission
30 requirements for prelicense education, ~~postlicense education~~,
31 or continuing education.

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

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

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

43 (6) CONTINUING EDUCATION SCHOOL. Any private
44 educational institution or organization offering only
45 commission-approved continuing education courses. The term
46 does not include an accredited school.

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

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

53 (6) ~~(8) INSTRUCTOR. A person approved by the commission~~
54 ~~to teach approved courses in~~ the ~~a~~ classroom or by distance
55 education.

56 (9) PRELICENSE COURSE. Any course of instruction



57 approved by the commission as education required to apply for
58 a temporary salesperson license or a broker license.

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

61 ~~(7) (11) LICENSED PRELICENSE SCHOOL.~~ Any proprietary A
62 school, whether a principal or branch school, that is licensed
63 by the commission, including any for-profit college, to offer
64 ~~that offers commission approved commission-approved prelicense~~
65 ~~courses or postlicense courses, or both, only after being~~
66 ~~licensed and bonded by the commission. and, in addition, may~~
67 ~~offer commission-approved continuing education courses. The~~
68 ~~term does not include an accredited school.~~

69 ~~(8) (12) PRINCIPAL SCHOOL.~~ A prelicense school Any
70 ~~institution or organization which that is the a primary school~~
71 ~~and not a branch school that is approved by the commission and~~
72 ~~bonded pursuant to this section.~~

73 ~~(9) PROPRIETARY SCHOOL.~~ Any school that is not an
74 ~~accredited college or university and which offers commission~~
75 ~~approved prelicense courses or postlicense courses, or both,~~
76 ~~only after being licensed and bonded by the commission. Each~~
77 ~~branch school shall be licensed separately.~~

78 (b) The commission shall ~~approve and regulate schools~~
79 ~~that offer commission approved prelicense, postlicense, and~~
80 ~~continuing education courses. The commission shall be the~~
81 ~~board, commission, or agency with the sole and have exclusive~~
82 ~~authority to license and regulate proprietary prelicense~~
83 ~~schools and their branches for the limited purpose of their~~
84 ~~offerings of commission approved prelicense courses and, when~~



85 applicable, continuing education courses—prelicense courses or
86 postlicense courses, or both and approve continuing education
87 schools for the purpose of their offerings of continuing
88 education courses. The commission may not regulate accredited
89 schools, except that the commission shall publish all exam
90 results by school.

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

106 (2) The bond shall remain in effect as long as the
107 school is licensed. In the event the bond is revoked or
108 cancelled anceled by the surety company, the school shall
109 have 10 days after cancellation or revocation to obtain a new
110 bond and file it the bond with the commission. Failure to
111 maintain a bond shall result in the immediate suspension of
112 the licenses of the school and all of its branches branch



113 ~~schools. The bond shall be provided by the school and shall~~
114 ~~also cover any branch schools named in the bond or any~~
115 ~~endorsement or amendment thereto.~~

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

124 (2) ~~The commission shall charge an approval fee for~~
125 ~~each continuing education school in the amount of one hundred~~
126 ~~dollars (\$100) per year for each year or portion of a year~~
127 ~~remaining in the respective approval period. The renewal fee~~
128 ~~for each continuing education school shall be fifty dollars~~
129 ~~(\$50) for each year of the approval period.~~

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

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



141 indicate the name of the branch school and the name of the
142 principal school.

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

150 (2) When the average passage rate for first-time
151 examinees who have taken a school's prelicense course for the
152 applicable broker or salesperson license examination is below
153 40 percent for six months, the commission shall notify the
154 school and request a performance improvement plan. Failure to
155 provide the performance improvement plan or sufficient
156 evidence of likely improvement in the performance improvement
157 plan to the commission within one month of notification shall
158 result in the suspension of the school until the commission,
159 in its discretion, receives such sufficient evidence.

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

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



169 instructor annually, to approved instructors who teach
170 ~~commission approved courses.~~

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

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

184 a. Teaching commission-approved courses.
185 b. Offering commission-approved courses.
186 c. Performing any duties of an administrator, including
187 registering students, advertising a school, reporting course
188 schedules to the commission, or entering student credit for
189 completed courses.

190 (2) a. A school, administrator, or instructor whose
191 license or approval is inactive shall renew the inactive
192 license or approval in the same manner as an active license or
193 approval.

194 b. Notwithstanding paragraph a., no continuing
195 education shall be required for a prelicense instructor to
196 renew his or her inactive approval.



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

204 b. A prelicense instructor whose approval is inactive
205 for more than three years may activate his or her approval by
206 completing all training required by the commission and any
207 continuing education required during the current approval
208 period.

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

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

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

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



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

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

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

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

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

248 b. The commission shall certify synchronous continuing
249 education courses to be taught using distance education and
250 establish and collect fees deemed necessary, in an amount not
251 to exceed four hundred dollars (\$400) per application for a
252 course over three hours and a fee of one hundred dollars



253 (\$100) per application for a course three hours or less, that
254 meets the qualifications provided in this section, except the
255 number of students may be limited to no more than 150 for such
256 courses.

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

260 1. The course or program mission statement.
261 2. Course design.
262 3. Interactivity.
263 4. Delivery.
264 5. Equipment.
265 6. The learning environment.
266 7. Student support services.
267 8. Educational effectiveness and assessment of student
268 learning outcomes.

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

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

279 (l)(n) The commission shall promulgate adopt rules and
280 regulations as necessary to accomplish the purpose of this



281 section in accordance with the Administrative Procedure Act."

282 "§34-27-32

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

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

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

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

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



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

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

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

325 "I hereby appoint the Executive Director or the
326 Assistant Executive Director of the Alabama Real Estate
327 Commission as my agent upon whom all disciplinary, judicial,
328 or other process or legal notices may be served. I agree that
329 any service upon my agent shall be the same as service upon me
330 and that certified copies of this appointment shall be deemed
331 sufficient evidence and shall be admitted into evidence with
332 the same force and effect as the original might be admitted. I
333 agree that any lawful process against me which is served upon
334 my agent shall be of the same legal force and validity as if
335 personally served upon me and that this appointment shall
336 continue in effect for as long as I have any liability



337 remaining in the State of Alabama. I understand that my agent
338 shall, within a reasonable time after service upon him or her,
339 mail a copy of the service by certified mail, return receipt
340 requested, to me at my last known business address.

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

344 _____ Legal Signature of Applicant"

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

348 ~~(b)~~ (c)(1)a. A person who holds a current real estate
349 salesperson license in another state, including persons who
350 move to and become residents of Alabama, shall apply for a
351 reciprocal salesperson license ~~on a form prescribed by the~~
352 ~~commission~~. A person who holds a current broker license in
353 another state, including persons who move to and become
354 residents of Alabama, shall apply for a reciprocal broker
355 license on a form prescribed by the commission.

356 b. The applicant shall submit proof that he or she has
357 a current real estate license in another state as evidenced by
358 a certificate of licensure, together with any other
359 information required by the commission. The applicant shall
360 also show proof that he or she has completed at least six
361 hours of course work in Alabama real estate which is approved
362 by the commission. Applicants for a reciprocal license shall
363 not be subject to the complete examination or temporary
364 license requirements of Section 34-27-33, but shall pass a



365 reasonable written examination prepared by the commission on
366 the subject of Alabama real estate. A person who holds a
367 reciprocal license shall show proof of completion of
368 continuing education either by meeting the requirements of
369 Section 34-27-35 or by showing proof that his or her other
370 state license remains active in that state.

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

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

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

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

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



393 (3) Proof that he or she has completed a course in real
394 estate approved by the commission, which shall be a minimum of
395 60 clock hours. satisfied all of the following:

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

442 ~~(g)~~(h) If the applicant for a company or broker license
443 maintains more than one place of business in the state, he or
444 she shall have a company or branch office license for each
445 separate location or branch office. Every application shall
446 state the location of the company or branch office and the
447 name of ~~its~~ the company's qualifying broker. Each company or
448 branch office shall be under the direction and supervision of



449 a qualifying broker licensed at that address. No person may
450 serve as qualifying broker at more than one location. The
451 qualifying broker for the branch office and the qualifying
452 broker for the company shall share equal responsibility for
453 the real estate activities of all licensees assigned to the
454 branch office or company.

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

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

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

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

465 (j) A person licensed under a qualifying broker may be
466 engaged by one or more companies with the same qualifying
467 broker.

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

470 ~~(i)~~(l) A company license shall become invalid on the
471 death or disability of a qualifying broker. Within 30 days
472 after the death or disability, the corporation, or the
473 remaining partners or the successor partnership, if any, may
474 designate another of its officers, members, or salespersons to
475 apply for a license as temporary qualifying broker. The person
476 designated as temporary qualifying broker shall either be a



477 broker or have been a salesperson for at least one year prior
478 to filing the application. If the application is granted, the
479 company may operate under that temporary qualifying broker for
480 no more than six months after ~~the death or disability of its~~
481 ~~former qualifying broker~~ the commission issues the temporary
482 qualifying broker license. Unless the company designates a
483 fully licensed broker as the qualifying broker within ~~the six~~
484 ~~months~~ six-month period, the company license and all licenses
485 under the company shall be classified inactive by the
486 commission after two weeks prior electronic notice.

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

502 ~~(k)~~(n) The commission may charge a fee of ten dollars
503 (\$10) for furnishing any person a copy of a license,
504 certificate, or other official record of the ~~commissioner~~



505 commission.

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

508 "§34-27-33

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

516 (2) Effective October 1, 2001, and thereafter, the The
517 fee for each examination and the provisions for payment and
518 forfeiture shall be as specified in the contract with the
519 independent testing agency.

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

524 ~~(b)~~ (c) Upon receipt of an application and accompanying
525 materials satisfying the requirements for a temporary
526 salesperson license under Section 34-27-32, Within 90 days
527 after passing the examination, the applicant shall secure a
528 qualifying broker and meet all requirements of this chapter
529 and the board the commission shall issue a temporary an active
530 license or classify the license as inactive. In order to
531 obtain an active license, the applicant's qualifying broker
532 shall sign and submit to the commission a sworn statement that



533 the applicant is in his or her opinion honest, trustworthy,
534 and of good reputation and that the broker accepts
535 responsibility for the actions of the salesperson as set out
536 in Section 34-27-31. The applicant's qualifying broker shall
537 be licensed in Alabama.

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

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

554 a. Proof of successfully completing a 15-hour
555 orientation as prescribed by the commission in the applicant's
556 real estate practice area.

557 b. A complete core competencies checklist on a form
558 prescribed by the commission and signed by the applicant's
559 qualifying broker.

560 (2) The~~If~~ the holder of a temporary salesperson license



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

576 (e) (1) The holder of an inactive temporary license
577 shall renew the license prior to the license renewal deadline
578 if an original license has not yet been issued. If a temporary
579 license remains inactive for more than three years, the
580 licensee shall retake the salesperson professional development
581 course prior to activating the temporary license.

582 (2) An inactive temporary licensee who has not
583 completed the requirements under subdivision (d) (1) shall
584 activate the temporary license in order to complete the
585 requirements and apply for an original salesperson license.

586 (3) In order to have a the status of an inactive
587 temporary license issued changed to active status, the
588 applicant shall pay the Recovery Fund fee specified in this



589 chapter. ~~The holder of a temporary license shall, upon~~
590 ~~satisfactory completion of the course, pay the original~~
591 ~~license fee specified in this chapter to have his or her~~
592 ~~original license issued.~~ An applicant for an original license
593 who has paid the Recovery Fund fee specified in this chapter
594 shall not be required to pay another Recovery Fund fee in
595 order to have his or her original license issued.

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

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

603 (f) A temporary salesperson license shall be valid for
604 10 years following the first day of the month after its
605 issuance."

606 "§34-27-34

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

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



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

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

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

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

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

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

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

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

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

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

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



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

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

649 (2)(4)a. A salesperson or associate broker shall not
650 perform acts for which a license is required unless licensed
651 under a qualifying broker.

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

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

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

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



673 to change his or her qualifying broker shall give notice in
674 writing to the commission, and shall send a copy of the notice
675 to his or her qualifying broker. ~~The new qualifying broker~~
676 ~~shall file with the commission a request for the transfer and~~
677 ~~a statement assuming liability for the licensee. In order to~~
678 ~~transfer a license, the applicant's new qualifying broker~~
679 ~~shall acknowledge to the commission that the applicant is in~~
680 ~~his or her opinion honest, trustworthy, and of good reputation~~
681 ~~and that the broker accepts responsibility for the actions of~~
682 ~~the salesperson as set out in Section 34-27-31.~~

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

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

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



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

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

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

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

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

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

725 (e) A salesperson or associate broker shall not perform
726 any act for which a license is required after his or her
727 association with his or her qualifying broker has been
728 terminated, or if he or she changes qualifying brokers, until



729 a new active license has been issued by the commission."

730 "§34-27-35

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

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

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



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

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

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

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



785 distributed to the Alabama Center for Real Estate.

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

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

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



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

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

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



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

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

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



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

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

881 ~~(2)~~ (3) ~~This section shall apply to renewals of licenses~~
882 ~~which expire after September 30, 1986.~~ An applicant for first
883 renewal of an original license who has been licensed for not
884 more than one year shall not be required to comply with this
885 section for the first renewal of the applicant's license. Any
886 licensee reaching ~~the age of~~ 65 years of age on or before
887 September 30, 2000, and having been licensed 10 years prior to
888 that date shall be exempt from this section.

889 ~~(3)~~ (4) Continuing education shall not result in a
890 passing or failing grade.

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

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

896 a. For a salesperson or broker license on inactive



897 status for three years or less, the current 15-hour continuing
898 education requirements, which shall not count toward
899 continuing education requirements at the next license renewal.

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

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

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

911 Section 2. This act shall become effective on October
912 1, 2028.

HB225 Enrolled



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922 Speaker of the House of Representatives
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927 President and Presiding Officer of the Senate
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929

930 House of Representatives
931

932 I hereby certify that the within Act originated in and
933 was passed by the House 17-Apr-25.

934
935 John Treadwell
936 Clerk
937
938
939
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941

942 Senate **06-May-25** Passed
943
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945