

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

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

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

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

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

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

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

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

(9) PRELICENSE COURSE. Any course of instruction



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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



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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~~ canceled 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



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

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

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

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

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



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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



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

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

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

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

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

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



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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.



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

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

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

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

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

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



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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



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section in accordance with the Administrative Procedure Act."

"§34-27-32

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

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

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

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

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



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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



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

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

_____ Legal Signature of Applicant"

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

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

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



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

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

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

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

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

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



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

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

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

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

(4) Any other information requested by the commission.

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

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

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

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

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



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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



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

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

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

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

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

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

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

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



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

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

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



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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~~



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

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

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

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

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

(2) TheIf the holder of a temporary salesperson license



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

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

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

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



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

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

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

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

"§34-27-34

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

a. Real estate is his or her principal business.



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

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

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

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

a. Real estate is his or her principal business.

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

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

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

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

a. Real estate is his or her principal business.

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



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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~~ c. 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



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

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

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

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



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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



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

"§34-27-35

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

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

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



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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



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distributed to the Alabama Center for Real Estate.

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

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

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



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

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

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



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

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

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



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

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

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

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

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

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

a. For a salesperson or broker license on inactive



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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.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

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

John Treadwell
Clerk

Senate

06-May-25

Passed