

HB3 INTRODUCED



1 HB3
2 6BWX311-1
3 By Representatives Hollis, Wood (D)
4 RFD: Commerce and Small Business
5 First Read: 06-Feb-24
6 PFD: 01-Dec-23



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SYNOPSIS:

Under existing law pertaining to licensing real estate companies, brokers, and salespersons, there is no provision limiting the number of co-brokerage agreements a nonresident broker may enter into with state licensed brokers.

Under existing law, there is no limit on the duration of a residential listing agreement.

Under existing law, there are no specific disclosures required of licensees dealing in equitable interests in a contract for purchase and sale of residential property.

This bill would provide certain requirements pertaining to training, qualifications, licensure and license renewal for licensed real estate companies, brokers, salespersons, teams, schools that offer real estate training courses, and applicants for licensure.

This bill would provide certain restrictions on transactions between nonresident co-brokers and licensees of this state.

This bill would provide that the Alabama Real Estate Commission may impose penalties for a licensee's failure to disclose certain aspects of transactions involving the sale or assignment of an equitable



HB3 INTRODUCED

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

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

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

42

43

A BILL

44

TO BE ENTITLED

45

AN ACT

46

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



HB3 INTRODUCED

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

63 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

64 Section 1. Sections 34-7-2, 34-27-3, 34-27-6, 34-27-8,
65 34-27-32 through 34-27-36, and 34-27-81 through 34-27-86, Code
66 of Alabama 1975, are amended to read as follows:

67 "§34-27-2

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

71 (1) APARTMENT. A building or complex with more than
72 four individual units owned by a single person, built
73 primarily for residential leasing purposes.

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

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

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

81 ~~(4)~~ (5) COMMISSIONER. A member of the commission.

82 ~~(5)~~ (6) COMPANY. Any sole proprietorship, corporation,
83 partnership, branch office, or lawfully constituted business
84 organization as the Legislature may provide for from time to



HB3 INTRODUCED

85 time, which is licensed as a company under Articles 1 and 2 of
86 this chapter.

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

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

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

99 ~~(8)~~ (10) LICENSEE. Any broker, salesperson, or company.

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

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

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



HB3 INTRODUCED

113 ~~(10)~~ (14) PERSON. A natural person.

114 ~~(11)~~ (15) PLACE OF BUSINESS.

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

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

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

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

138 ~~(12)~~ (17) QUALIFYING BROKER. A broker under whom a sole
139 proprietorship, corporation, partnership, branch office, or
140 lawfully constituted business organization as the Legislature



HB3 INTRODUCED

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

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

148 (19) RESIDENTIAL. Pertaining to real property located
149 in the state which is used primarily for personal, family, or
150 household purposes and is improved by one to four dwelling
151 units.

152 ~~(14)~~ (20) SALESPERSON. Any person licensed as a real
153 estate salesperson under Articles 1 and 2 of this chapter.

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

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

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

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

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

168 (4) Persons or a state or federally chartered financial



HB3 INTRODUCED

169 institution acting as a receiver, trustee, administrator,
170 executor, or guardian; or acting under a court order or under
171 authority of a trust instrument or will.

172 (5) Public officers performing their official duties.

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

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

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

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

185 "§34-27-3

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



HB3 INTRODUCED

197 to engage in transactions totaling more than fifty million
198 dollars (\$50,000.000) in any one calendar year.

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

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

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

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

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

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

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



HB3 INTRODUCED

225 (6) The Alabama broker shall verify that the
226 nonresident broker is a licensed principal broker in another
227 state.

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

232 "§34-27-6

233 (a) For purposes of this section and rules adopted
234 pursuant thereto, the following terms ~~shall~~ have the following
235 meanings:

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

240 ~~(1)~~ (2) ADMINISTRATOR. A person designated by a
241 ~~principal school or branch school~~ licensed by the commission
242 and approved by the commission to be the person responsible to
243 the commission for all acts governed by this chapter and
244 applicable rules which govern the operation of schools.

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

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



HB3 INTRODUCED

253 (4) BRANCH SCHOOL. Any school under the ownership of a
254 principal school which offers commission approved courses at a
255 permanent location.

256 (5) CE-ONLY SCHOOL. Any private educational institution
257 or organization offering only commission-approved continuing
258 education courses.

259 (6) CONTINUING EDUCATION. Any professional course
260 required to renew or activate a license which can be a minimum
261 of one hour upon approval of the commission.

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

266 ~~(5)~~ (8) INSTRUCTIONAL SITE. Any physical place where
267 commission-~~approved~~ instruction is conducted apart from the
268 principal school or branch school.

269 ~~(6)~~ (9) INSTRUCTOR. A person ~~approved~~ licensed by the
270 commission to teach approved courses in the classroom or by
271 distance education.

272 ~~(7)~~ (10) ~~LICENSED~~ PRELICENSE SCHOOL. Any ~~proprietary~~
273 school that is licensed and bonded by the commission,
274 including any for-profit college, that offers commission-
275 approved prelicense courses ~~or postlicense courses, or both,~~
276 ~~only after being licensed and bonded by the commission.~~

277 ~~(8)~~ (11) PRINCIPAL SCHOOL. Any institution or
278 organization which is the primary school and not a branch
279 school ~~that is approved~~ and is licensed by the commission.

280 ~~(9) PROPRIETARY SCHOOL. Any school that is not an~~



HB3 INTRODUCED

281 ~~accredited college or university and which offers commission~~
282 ~~approved prelicense courses or postlicense courses, or both,~~
283 ~~only after being licensed and bonded by the commission. Each~~
284 ~~branch school shall be licensed separately.~~

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

294 (c) (1) The commission shall ~~require proprietary~~require
295 proprietary prelicense principal schools to ~~furnish~~obtain a
296 surety bond issued by a surety company authorized to do
297 business in Alabama, payable to the commission in ~~the amount~~
298 ~~of an amount not to exceed~~ twenty thousand dollars (\$20,000)
299 ~~with a surety company authorized to do business in Alabama,~~
300 ~~which bond shall provide.~~ The bond shall provide that the bond
301 obligor ~~therein~~ shall pay ~~up to~~an amount not to exceed twenty
302 thousand dollars (\$20,000) in the aggregate sum of all
303 judgments ~~which shall be~~ recovered against the school for
304 damages arising from the school's collection of tuition or
305 fees, or both, from students, but failing to provide the
306 complete instruction for which ~~such~~the tuition or fees were
307 collected.

308 (2) The bond shall be obtained by the school and shall



HB3 INTRODUCED

309 also cover any branch schools named in the bond or any
310 endorsement or amendment of or to the bond.

311 (3) The bond shall remain in effect as long as the
312 school is licensed. In the event the bond is revoked or
313 ~~cancelled~~canceled by the surety company, the school shall have
314 10 days after cancellation or revocation to obtain a new bond
315 and file ~~it~~ the bond with the commission. Failure to maintain
316 a bond shall result in the immediate suspension of the
317 licenses of the school and all of its branches.

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

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

329 (2) The commission shall charge a license fee for each
330 CE-only school in the amount of one hundred dollars (\$100) per
331 year for each year or remaining portion of a year in any
332 license period. The renewal fee for each CE-only school shall
333 be fifty dollars (\$50) for each year of any license period.

334 (e) (1) The commission shall require all schools to
335 name and have ~~approved~~licensed by the commission ~~an school~~
336 administrator who shall be responsible to the commission for



HB3 INTRODUCED

337 all actions of his or her respective school.

338 (2) Each administrator shall pay a license fee in the
339 amount of one hundred dollars (\$100) per year for each year or
340 remaining portion of a year of any license period. The renewal
341 fee for each administrator shall be fifty dollars (\$50) for
342 each year that the license period is renewed.

343 (f) ~~Principal~~Each schools ~~s~~ and branch school shall be
344 clearly identified by signage which shall indicate the name of
345 the school as in a manner appropriate for ~~the~~its location. ~~The~~
346 ~~signage shall set out the name of the principal school. Branch~~
347 ~~schools shall be clearly identified by signage as appropriate~~
348 ~~for the location. The signage shall set out the name of the~~
349 ~~branch school and the name of the principal school.~~

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

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

362 (i) (1) The commission shall ~~approve~~license and
363 regulate instructors who teach the commission-approved
364 prelicense, ~~postlicense~~, and continuing education courses. The



HB3 INTRODUCED

365 commission shall establish and collect fees as determined
366 necessary, from licensed instructors who teach
367 commission-approved courses, in an amount not to exceed fifty
368 dollars (\$50) per instructor annually, ~~to approved instructors~~
369 ~~who teach commission approved courses.~~

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

372 (j) (1) An instructor, administrator, or school may
373 request that the commission issue or change its license to
374 inactive status. An instructor, administrator, or school
375 licensee whose license status is inactive shall be prohibited
376 from engaging in any of the following:

377 a. Teaching commission-approved courses if the licensee
378 is an instructor.

379 b. Offering commission-approved courses if the licensee
380 is a school.

381 c. Performing any duties of an administrator if the
382 licensee is an administrator, including, but not limited to,
383 registering students, advertising the school, reporting course
384 schedules to the commission, or entering student credit for
385 completed courses.

386 (2) The inactive license of an instructor,
387 administrator, or school must be renewed in the same manner as
388 an active license for an instructor, administrator, or school.

389 (3) A prelicense instructor whose license status is
390 inactive for three years or less and who renews his or her
391 license while its status is inactive may activate his or her
392 license for the first time during any license period by



HB3 INTRODUCED

393 meeting both of the following requirements:

394 a. Completing any continuing education requirement for
395 licensed instructors that remains incomplete from the previous
396 license period.

397 b. Paying a license activation fee.

398 c. If the license remains inactive for longer than
399 three years, the prelicense instructor must take required
400 training before activating his or her license. Once activated,
401 a prelicense instructor will be responsible for completing the
402 then current continuing education coursework requirement to
403 renew the active license for the next license period.

404 (4) In addition to any other requirements provided in
405 this section, any instructor, administrator, or a school whose
406 seeking to change its license status from inactive to active
407 shall be required to pay a license activation fee in the
408 amount of fifty dollars (\$50) per license.

409 (k) An active prelicense instructor with an inactive
410 broker license must remain current with continuing education
411 requirements for active brokers as well as the continuing
412 education requirements for active prelicense instructors.

413 (1) (1) All education licenses and approvals shall
414 expire at midnight on September 30 of the final year of each
415 license period. Each prelicense instructor must complete
416 required continuing education courses and provide proof of
417 completion to the commission on or before September 30 of the
418 final year of each license period.

419 (2) The continuing education coursework requirement
420 shall apply to each two-year education renewal. Coursework



HB3 INTRODUCED

421 hours completed in excess of the requirement shall not be
422 applicable to any subsequent renewal.

423 (3) An inactive status license of a prelicense
424 instructor shall be renewed in the same manner as for an
425 active prelicense instructor except that continuing education
426 coursework shall not be required while the license remains
427 inactive.

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

433 (n) (1) A licensee may renew an expired license during
434 the twelve-month period following the September 30 renewal
435 deadline, provided that the licensee shall not engage in any
436 licensed activity until the license is renewed.

437 (2) After the last day of the twelfth month following
438 the September 30 renewal deadline, an expired license shall
439 lapse and shall be subject to all requirements applicable to
440 an original license.

441 (3) The commission may allow late renewal of a lapsed
442 license upon a determination of hardship, provided that all
443 required fees are paid.

444 ~~(j)~~ (1) The commission shall approve courses and
445 establish and collect fees ~~as determined~~ deemed necessary, not
446 to exceed one hundred dollars (\$100) per application, to
447 review each course.

448 (2) a. The commission may certify synchronous distance



HB3 INTRODUCED

449 education courses, and establish and collect fees deemed
450 necessary, in an amount not to exceed four hundred dollars
451 (\$400) per application.

452 b. The commission shall consider synchronous distance
453 education courses for certification based on the commission's
454 analysis of all of the following aspects of the course or the
455 program of which it is part:

- 456 1. The course or program mission statement.
- 457 2. Course design.
- 458 3. Interactivity.
- 459 4. Delivery.
- 460 5. Equipment.
- 461 6. The learning environment.
- 462 7. Student support services.
- 463 8. Educational effectiveness and assessment of student
464 learning outcomes.
- 465 9. Commitment to ongoing support of the of the course.

466 ~~(k)~~ (p) The commission shall establish one-year or
467 multi-year ~~approval~~license periods for schools, prelicense
468 instructors, administrators, and courses. ~~Approval and~~
469 ~~license~~License periods shall run from October 1 of the first
470 year of the ~~approval~~license period through September 30 of the
471 final year of the ~~approval~~license period.

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

475 "§34-27-8

476 (a) A majority of the commission members shall



HB3 INTRODUCED

477 constitute a quorum for the conduct of commission business.
478 The commission may adopt and enforce all rules and regulations
479 pursuant to the state administrative procedure statutes
480 necessary for the administration of this chapter, and to
481 otherwise do all things necessary and convenient for effecting
482 this chapter.

483 (b) In addition to the powers granted in this section,
484 the commission may adopt and enforce rules ~~and regulations~~
485 governing the requirements of agency disclosure by licensed
486 brokers and salespersons.

487 ~~(c) Each offer to purchase prepared after August 1,~~
488 ~~1998, shall have prominently displayed the following AGENCY~~
489 ~~DISCLOSURE clause which shall be completed and initialed as~~
490 ~~indicated:~~

491 ~~The listing company _____ is:~~

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

493 ~~_____ An agent of the seller.~~

494 ~~_____ An agent of the buyer.~~

495 ~~_____ An agent of both the seller and buyer and is~~
496 ~~acting as a limited consensual dual agent.~~

497 ~~_____ Assisting the _____ buyer _____ seller as a~~
498 ~~transaction broker.~~

499 ~~The selling company _____ is:~~

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

501 ~~_____ An agent of the seller.~~

502 ~~_____ An agent of the buyer.~~

503 ~~_____ An agent of both the seller and buyer and is~~
504 ~~acting as a limited consensual dual agent.~~



HB3 INTRODUCED

505 ~~Assisting the buyer seller as a~~
506 ~~transaction broker."~~

507 "§34-27-32

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

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

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

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

532 (4) Is at least 19 years old.



HB3 INTRODUCED

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

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

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

549 "I hereby appoint the Executive Director or the
550 Assistant Executive Director of the Alabama Real Estate
551 Commission as my agent upon whom all disciplinary, judicial,
552 or other process or legal notices may be served. I agree that
553 any service upon my agent shall be the same as service upon me
554 and that certified copies of this appointment shall be deemed
555 sufficient evidence and shall be admitted into evidence with
556 the same force and effect as the original might be admitted. I
557 agree that any lawful process against me which is served upon
558 my agent shall be of the same legal force and validity as if
559 personally served upon me and that this appointment shall
560 continue in effect for as long as I have any liability



HB3 INTRODUCED

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

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

568 _____ Legal Signature of Applicant"

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

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

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



HB3 INTRODUCED

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

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

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

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

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

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



HB3 INTRODUCED

617 (3) Proof that he or she ~~has completed a course in real~~
618 ~~estate approved by the commission, which shall be a minimum of~~
619 ~~60 clock hours~~ has completed a course in real estate approved
620 by the commission, which shall be a minimum of 60 clock hours.

621 (4) Proof that he or she has met all of the following
622 requirements-:

623 a. Successfully completed a course in broker basics
624 approved by the commission.

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

627 c. Within 90 days after passing the license
628 examination, successfully completed a course in professional
629 development approved by the commission.

630 ~~(4)~~ (5) Any other information requested by the
631 commission.

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

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

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



HB3 INTRODUCED

645 a. Successfully completed a salesperson basics course
646 approved by the commission.

647 b. Passed a license examination within 90 days after
648 completing the salesperson basics course.

649 c. Within 90 days after passing the license
650 examination, successfully completed a course approved by the
651 commission in salesperson professional development.

652 (3) The name of the applicant's qualifying broker,
653 along with the information required pursuant to Section
654 34-27-33.

655 ~~(3)~~ (4) Any other information required by the
656 commission.

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

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

663 (g) If the applicant for a company or broker license
664 maintains more than one place of business in the state, he or
665 she shall have a company or branch office license for each
666 separate location or branch office. Every application shall
667 state the location of the company or branch office and the
668 name of its qualifying broker. Each company or branch office
669 shall be under the direction and supervision of a qualifying
670 broker licensed at that address. No person may serve as
671 qualifying broker at more than one location. The qualifying
672 broker for the branch office and the qualifying broker for the



HB3 INTRODUCED

673 company shall share equal responsibility for the real estate
674 activities of all licensees assigned to the branch office or
675 company.

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

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

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

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

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

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

691 (i) A company license shall become invalid on the death
692 or disability of a qualifying broker. Within 30 days after the
693 death or disability, the corporation, or the remaining
694 partners or the successor partnership, if any, may designate
695 another of its officers, members, or salespersons to apply for
696 a license as temporary qualifying broker. The person
697 designated as temporary qualifying broker shall either be a
698 broker or have been a salesperson for at least one year prior
699 to filing the application. If the application is granted, the
700 company may operate under that temporary qualifying broker for



HB3 INTRODUCED

701 no more than six months after the ~~death or disability of its~~
702 ~~former qualifying broker~~temporary qualifying broker license is
703 issued. Unless the company designates a fully licensed broker
704 as the qualifying broker within the six months, the company
705 license and all licenses under the company shall be classified
706 inactive by the commission.

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

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

725 (l) The language amending this section pursuant to this
726 act shall only apply to licenses issued on or after October 1,
727 2024

728 "§34-27-33



HB3 INTRODUCED

729 (a) (1) ~~In addition to other requirements of this~~
730 ~~chapter~~Pursuant to Section 34-27-32, every applicant for a
731 broker's or salesperson's license shall submit to a reasonable
732 written examination. The commission shall conduct examinations
733 at places and times it prescribes. The commission may contract
734 with an independent testing agency to prepare, grade, or
735 conduct the examination.

736 (2) ~~Effective October 1, 2001, and thereafter, the~~The
737 fee for each examination and the provisions for payment and
738 forfeiture shall be as specified in the contract with the
739 independent testing agency.

740 (b) (1) Within 90 days after passing the examination,
741 the applicant shall complete a professional development course
742 that meets all of the requirements of this chapter, and secure
743 a qualifying broker. ~~and meet all requirements of this chapter~~
744 ~~and the~~The board shall thereafter issue an active license or
745 classify the license as inactive.

746 (2) In order to obtain an active license, the
747 applicant's qualifying broker shall ~~sign and submit~~acknowledge
748 to the commission ~~a sworn statement~~ that the applicant is in
749 his or her opinion honest, trustworthy, and of good reputation
750 and that the broker accepts responsibility for the actions of
751 the salesperson as set out in Section 34-27-31. The
752 applicant's qualifying broker shall ~~be licensed in~~ hold an
753 active Alabama license.

754 (c) (1) On passing the examination and complying with
755 all other conditions for licensure, a temporary license
756 ~~certificate~~ shall be issued to the applicant. The applicant is



HB3 INTRODUCED

757 not licensed until he or she or his or her qualifying broker
758 actually receives the temporary license ~~certificate. A~~
759 ~~temporary license shall be valid only for a period of one year~~
760 ~~following the first day of the month after its issuance.~~

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

765 1. Proof of successful completion of a 15-hour
766 orientation as prescribed by the commission, in the
767 applicant's real estate practice area.

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

771 b. ~~The~~ If the holder of a temporary license ~~must~~
772 ~~complete the course~~ fails to complete the application for an
773 original license with required documentation within ~~six~~
774 ~~months~~ 90 days following of issuance of his or her temporary
775 license, ~~and have his or her original license issued,~~
776 ~~otherwise~~ his or her temporary license ~~certificate~~ shall
777 automatically be placed on inactive status by the commission.
778 ~~During the remaining six months his or her temporary license~~
779 ~~is valid, the holder of a temporary license may complete the~~
780 ~~course and have his or her original license issued. If the~~
781 ~~holder of a temporary license does not complete the course and~~
782 ~~have his or her original license issued within one year~~
783 ~~following the first day of the month after its issuance, the~~
784 ~~temporary license shall automatically expire and lapse.~~



HB3 INTRODUCED

785 ~~(3) A temporary license is not subject to renewal~~
786 ~~procedures in this chapter and may not be renewed~~An inactive
787 temporary license must be renewed at the proper time if an
788 original license has not been issued. If a temporary license
789 remains inactive for more than three years, the licensee must
790 retake the 45-hour salesperson professional development course
791 prior to activating the license.

792 ~~(3)~~ (4) In order to have the status of an inactive
793 temporary license ~~issued~~changed to active status, the
794 applicant shall pay the Recovery Fund fee specified in this
795 chapter. ~~The holder of a temporary license shall, upon~~
796 ~~satisfactory completion of the course, pay the original~~
797 ~~license fee specified in this chapter to have his or her~~
798 ~~original license issued.~~ An applicant for an original license
799 who has paid the Recovery Fund fee specified in this chapter
800 shall not be required to pay another Recovery Fund fee in
801 order to have his or her original license issued.

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

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

809 "§34-27-34

810 (a) (1) ~~A broker may serve as qualifying broker for a~~
811 ~~salesperson or associate broker only if licensed in Alabama,~~
812 ~~his or her principal business is that of a real estate broker,~~



HB3 INTRODUCED

813 ~~and he or she shall be in a position to actually supervise the~~
814 ~~real estate activities of the associate broker or salesperson~~
815 ~~on a full-time basis~~A person concurrently licensed as a broker
816 in another state who has reciprocally obtained a broker
817 license in this state may serve as a qualifying broker over a
818 salesperson or associate broker if he or she meets all of the
819 following requirements:

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

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

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

826 (2) A person licensed as a broker in this who is not
827 currently licensed as a broker in another sate may serve as
828 qualifying broker over a salesperson or associate broker if he
829 or she meets all of the following requirements:

830 a. Real estate is his or her principal business

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

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

836 d. He or she has attended a qualifying broker training
837 provided by the commission.

838 ~~(2)~~ (3) a. A salesperson or associate broker shall not
839 perform acts for which a license is required unless licensed
840 under a qualifying broker.



HB3 INTRODUCED

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

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

854 ~~(3)~~ d. The qualifying ~~brokers'~~ broker's supervision
855 responsibilities, as prescribed herein, over the real estate
856 activities of associate brokers and salespersons licensed
857 under him or her are not intended to create, and should not be
858 construed as creating, an employer-employee relationship
859 contrary to any expressed intent of the qualifying broker and
860 licensee to the contrary.

861 (b) (1) Any salesperson or associate broker who desires
862 to change his or her qualifying broker shall give notice in
863 writing to the commission, and shall send a copy of the notice
864 to his or her qualifying broker. ~~The new qualifying broker~~
865 ~~shall file with the commission a request for the transfer and~~
866 ~~a statement assuming liability for the licensee. In order to~~
867 transfer a license, the applicant' new qualifying broker shall
868 acknowledge to the commission that in his or her opinion the



HB3 INTRODUCED

869 applicant is honest, trustworthy, of good reputation, and that
870 the broker accepts responsibility for the actions of the
871 salesperson under Section 34-27-31.

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

878 ~~(1)~~a. Change of qualifying broker by a company or sole
879 proprietorship. Prior to the effective date of the act
880 amending this section, Thethe fee ~~is~~shall be paid for ~~the~~each
881 ~~license or licenses~~ on which the current and new qualifying
882 ~~brokers'~~broker's names appear. In cases where a company has a
883 branch office or offices and the main office qualifying broker
884 is changed, the fee is paid for each branch office license and
885 for the license of each branch qualifying broker.

886 ~~(2)~~b. Change of personal name of a qualifying broker.
887 Within 30 days following name change, Thethe fee ~~is~~shall be
888 paid for ~~the~~each license ~~or licenses~~ on which the current
889 qualifying broker's name appears.

890 ~~(3)~~c. Change of personal name of a salesperson or
891 associate broker. Within 30 days after the name change, Thethe
892 fee ~~is~~shall be paid for the license on which the name
893 appears.

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

896 ~~(5)~~e. Change of business name. The fee is paid for the



HB3 INTRODUCED

897 license or licenses on which the name appears.

898 ~~(6)~~f. Change of license status from inactive to active.

899 The fee is paid for each license being changed from inactive
900 to active status. No fee is charged for the change from active
901 to inactive status.

902 (c) A ~~person~~qualifying broker who wishes to terminate
903 his or her ~~status as qualifying broker~~responsibility for a
904 licensee may do so by notifying the licensee and ~~the~~
905 ~~commission in writing and sending the licensee's license~~
906 ~~certificate to the commission or verifying in writing to the~~
907 ~~commission that the certificate has been lost or~~
908 ~~destroyed~~placing the licensee's license on inactive status
909 with the commission.

910 (d) ~~A person~~An individual who wishes to terminate his
911 or her status as a qualifying broker for a company may do so
912 by submitting written notice to the company or ~~qualifying~~
913 ~~broker~~officer of the parent company and the commission.

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

919 "§34-27-35

920 (a) The commission shall prescribe the form and content
921 of license certificates issued. Each qualifying broker's
922 license certificate shall show the name and business address
923 of the broker. The license certificate of each active
924 salesperson or associate broker shall show his or her name and



HB3 INTRODUCED

925 address. The license certificate of each active salesperson or
926 associate broker shall be delivered or mailed to his or her
927 qualifying broker. Each license certificate shall be kept by
928 the qualifying broker and shall be publicly displayed at the
929 address which appears on the license certificate.

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

932 (c) (1) The fee for the temporary license shall be one
933 hundred fifty dollars (\$150). The original fee for a broker's
934 license shall be one hundred fifty dollars (\$150) ~~and,~~
935 ~~beginning with the license period effective October 1, 2002,~~
936 ~~the renewal fee for a broker's license shall be seventy-five~~
937 ~~dollars (\$75) per year for each year of the license period.~~
938 ~~The original fee for each salesperson's license shall be~~
939 ~~sixty-five dollars (\$65) per year for each year or portion of~~
940 ~~a year remaining in the respective license period, and the~~
941 ~~renewal fee for each salesperson's license shall be sixty-five~~
942 ~~dollars (\$65) per year for each year of the license period.~~
943 ~~The original fee for each company license shall be sixty-five~~
944 ~~dollars (\$65) per year for each year or portion of a year~~
945 ~~remaining in the respective license period, and the renewal~~
946 ~~fee for each license shall be sixty-five dollars (\$65) per~~
947 ~~year for each year of the license period.~~

948 (2) ~~Beginning with the license period effective October~~
949 ~~1, 2004, the~~The renewal fee for a ~~broker's~~ broker license
950 shall be ninety-five dollars (\$95) per year for each year of
951 the license period. The original fee for each ~~salesperson's~~
952 salesperson license shall be eighty-five dollars (\$85) per



HB3 INTRODUCED

953 year for each year or portion of a year remaining in the
954 respective license period, and the renewal fee for each
955 salesperson's license shall be eighty-five dollars (\$85) per
956 year for each year of the license period. The original fee for
957 each company license shall be eighty-five dollars (\$85) per
958 year for each year or portion of a year remaining in the
959 respective license period, and the renewal fee for each
960 license shall be eighty-five dollars (\$85) per year for each
961 year of the license period.

962 (d) ~~(1)~~ The renewal research and education fee shall be
963 ~~two~~seven dollars and fifty cents ~~(\$2.50)~~ (\$7.50) per year for
964 each year of the license period and shall be paid at the time
965 of license renewal by all brokers and salespersons in addition
966 to the license renewal fees set out in this section.
967 Collection of this fee shall apply to all broker and
968 salesperson renewals, except that brokers who hold more than
969 one ~~broker's~~ broker license shall pay the fee for only one
970 license at each renewal.

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

974 (e) The original research and education fee shall be
975 thirty dollars (\$30) and shall be paid at the time of all
976 applications received ~~on and after October 15, 1995,~~ for
977 issuance of an original broker's license, and shall be paid at
978 the time of all applications received on and after October 15,
979 1995, for issuance of a temporary salesperson's license. The
980 original research and education fee shall also be paid by



HB3 INTRODUCED

981 reciprocal salespersons. This is in addition to the original
982 license fees set out in this section. This thirty dollar (\$30)
983 original research and education fee is a one-time fee which no
984 person shall be required to pay more than once.

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

994 (g) The commission shall prescribe a license renewal
995 form, which shall accompany renewal fees and which shall be
996 filed on or before ~~August 31~~ September 30 of the final year of
997 each license period in order for the respective license to be
998 renewed on a timely basis for the following license period. ~~If~~
999 ~~any of the foregoing are filed during the period from~~
1000 ~~September 1 through September 30 of the final year of a~~
1001 ~~license period, the one hundred fifty dollar (\$150) penalty~~
1002 ~~set out below shall be paid in addition to the renewal fees.~~
1003 Failure to meet this September 30 deadline shall result in the
1004 license expiring and being placed on inactive status on ~~the~~
1005 ~~following~~ October 1, and the license shall be subject to all
1006 reactivation requirements. ~~Reactivations shall be processed in~~
1007 ~~the order received as evidenced by postmark or delivery date.~~
1008 ~~Certified or registered mail may be used for reactivation in~~



HB3 INTRODUCED

1009 ~~these cases.~~ Licensees ~~filing during the period from September~~
1010 ~~1 of the final year of a license period through~~ filed after
1011 September 30 of the initial year of a license period shall pay
1012 the required license fee, plus a penalty of one hundred fifty
1013 dollars (\$150).

1014 (h) ~~The renewal form shall be mailed by the commission~~
1015 ~~to the licensee's place of business, if an active licensee, or~~
1016 ~~to his or her residence, if an inactive licensee, prior to~~
1017 ~~August 1 of the final year of each license period.~~ Each
1018 licensee shall notify the commission in writing of any change
1019 in his or her business or residence address within 30 days of
1020 the change.

1021 (i) Every license shall expire at midnight on September
1022 30 of the final year of each license period, except for a
1023 temporary salesperson whose license expires 90 days after
1024 issuance or a temporary broker whose license expires six
1025 months after issuance. An expired license may be renewed
1026 during the 12-month period following the license period for
1027 which the license was current. A licensee who fails to renew
1028 before the end of the 12-month period following the license
1029 period for which the license was issued has a lapsed license,
1030 and shall be subject to all requirements applicable to persons
1031 who have never been licensed, however, the commission may upon
1032 determination of hardship, allow later renewal upon payment of
1033 all fees and penalties. An inactive license must be renewed in
1034 the same manner as an active license.

1035 (j) (1) Each applicant for renewal of an active
1036 salesperson or broker license issued by the commission shall,



HB3 INTRODUCED

1037 on or before September 30 of the final year of each license
1038 period, ~~submit~~confirm through the commission's website, proof
1039 of completion of ~~not less than 15 clock~~his or her continuing
1040 education requirement hours of approved continuing education
1041 course work ~~to the commission~~, in addition to any other
1042 requirements for renewal. A maximum of six one-clock-hour
1043 courses shall be accepted by the commission as part of a
1044 licensee's continuing education requirement. Failure to meet
1045 this deadline shall result in the license being placed on
1046 inactive status on the following October 1, and the license
1047 shall be subject to all reactivation requirements.

1048 (2) a. Reactivations shall be processed in the order
1049 received as evidenced by postmark or delivery date. Certified
1050 or registered mail may be used for reactivation in this case.
1051 Proof of ~~attendance at the~~completion of course-work, whether
1052 or not the applicant attained a passing grade in the course,
1053 shall be sufficient to satisfy requirements for renewal. The
1054 ~~15 clock hours' course work~~continuing education requirement
1055 shall apply to each two-year license renewal, and hours in
1056 excess of 15 shall not be ~~cumulated or credited for the~~
1057 ~~purpose of~~applicable to subsequent license renewals. The
1058 commission shall develop standards for approval of courses,
1059 and shall require certification of the course work of the
1060 applicant. No continuing education course shall be approved by
1061 the commission unless the course is at least 60 minutes of
1062 instruction.

1063 b. Time served as a member of the state Legislature
1064 during each license renewal period shall be deemed the



HB3 INTRODUCED

1065 equivalent of the ~~15 hours course work~~continuing education
1066 requirement and shall satisfy the requirements of this
1067 subsection.

1068 ~~(2) (3) This section shall apply to renewals of licenses~~
1069 ~~which expire after September 30, 1986.~~ An applicant for first
1070 renewal of an original license who has been licensed for not
1071 more than one year shall not be required to comply with this
1072 section for the first renewal of the applicant's license. ~~Any~~
1073 ~~licensee reaching the age of 65 on or before September 30,~~
1074 ~~2000, and having been licensed 10 years prior to that date~~
1075 ~~shall be exempt from this section.~~

1076 ~~(3) (4)~~ Continuing education shall not result in a
1077 passing or failing grade.

1078 (k) A licensee may request that the commission
1079 ~~issue~~change his or her license from active status to inactive
1080 status. Inactive licenses shall be held at the commission
1081 office until activated. No act for which a license is required
1082 shall be performed under an inactive license.

1083 (1) If a licensee presents a form of payment to the
1084 commission, or to any third party on the commission's behalf,
1085 which is declined or rejected by a financial institution or
1086 merchant service company, the licensee shall have 30 days upon
1087 electronic notification from the commission to submit full and
1088 valid payment for the initial fee or fine and an additional
1089 fee for submitting the faulty payment, not to exceed the
1090 maximum amount allowed by Section 8-8-15. Failure to submit
1091 full and valid payment within 30 days of electronic
1092 notification by the commission will result in the license



HB3 INTRODUCED

1093 becoming inactive. Failure to submit full and valid payment
1094 within six months after electronic notification by the
1095 commission will result in the license lapsing."

1096 "§34-27-36

1097 (a) (1) The commission or its staff may on its own, or
1098 on the verified complaint in writing of any person,
1099 investigate the actions and records of a licensee. The
1100 commission may issue subpoenas and compel the testimony of
1101 witnesses and the production of records and documents during
1102 an investigation. If probable cause is found, a formal
1103 complaint shall be filed and the commission shall hold a
1104 hearing on the formal complaint.

1105 (2) In each instance in which a person engages in any
1106 of the acts described in subsection (b), the commission may
1107 impose any of the following penalties:

1108 a. Impose a fine of not less than one hundred dollars
1109 (\$100) nor more than five thousand dollars (\$5,000).

1110 b. Require completion of approved education course or
1111 courses in addition the existing continuing education
1112 requirements.

1113 c. Issue a public reprimand.

1114 d. Revoke or suspend any or all licenses held under
1115 this chapter by the person or entity ~~The commission shall~~
1116 ~~revoke or suspend the license or impose a fine of not less~~
1117 ~~than one hundred dollars (\$100) nor more than two thousand~~
1118 ~~five hundred dollars (\$2,500), or both, or reprimand the~~
1119 ~~licensee in each instance in which the licensee is found~~
1120 ~~guilty of any of the following acts set out in this section.~~



HB3 INTRODUCED

1121 ~~The commission may revoke or suspend a license~~ until such time
1122 as the licensee has completed an approved continuing education
1123 course ~~and/or~~ or made restitution to accounts containing funds
1124 to be held for other parties. The commission may also stay the
1125 revocation or suspension of a license and require completion
1126 of an approved education course ~~and/or~~ or the making of
1127 restitution to accounts containing funds to be held for other
1128 parties.

1129 (b) A licensee may not do any of the following:

1130 (1) Procuring or attempting to procure~~r~~ a license~~r~~ for
1131 himself or herself or another~~r~~ by fraud, misrepresentation, or
1132 deceit, or by making a material misstatement of fact in an
1133 application for a license.

1134 (2) Engaging in misrepresentation or dishonest or
1135 fraudulent acts when selling, buying, trading, or renting real
1136 property of his or her own or of a spouse or child or parent.

1137 (3) Making a material misrepresentation, or failing to
1138 disclose to a potential purchaser or lessee any ~~latent~~
1139 structural defect known to the licensee or any other defect
1140 known to the licensee which is not discoverable by reasonable
1141 observation of a potential purchaser or lessee. ~~Latent~~
1142 ~~structural defects and other defects do not refer to trivial~~
1143 ~~or insignificant defects but refer to those defects that would~~
1144 ~~be a significant factor to a reasonable and prudent person in~~
1145 ~~making a decision to purchase or lease.~~

1146 (4) Making any false promises of a character likely to
1147 influence, persuade, or induce any person to enter into any
1148 contract or agreement.



HB3 INTRODUCED

1149 (5) Pursuing a continued and flagrant course of
1150 misrepresentation or the making of false promises through
1151 agents or salespersons or any medium of advertising or
1152 otherwise.

1153 (6) Publishing or causing to be published any
1154 advertisement which deceives or which is likely to deceive the
1155 public, or which in any manner tends to create a misleading
1156 impression or which fails to identify the person causing the
1157 advertisement to be placed as a licensed broker or
1158 salesperson.

1159 (7) Acting for more than one party in a transaction
1160 without the knowledge and consent in writing of all parties
1161 for whom he or she acts.

1162 (8)a. Failing, within a reasonable time, to properly
1163 account for or remit money coming into his or her possession
1164 which belongs to others, or commingling money belonging to
1165 others with his or her own funds.

1166 b. Failing to deposit and account for at all times all
1167 funds belonging to, or being held for others, in a separate
1168 federally insured account or accounts in a financial
1169 institution located in Alabama.

1170 c. Failing to keep ~~for at least three years~~ a complete
1171 record of funds belonging to others showing to whom the money
1172 belongs, date deposited, date of withdrawal, and other
1173 pertinent information for at least three years after the funds
1174 have been disbursed from the trust account.

1175 (9) Placing a sign on any property offering it for
1176 sale, lease, or rent without the written consent of the



HB3 INTRODUCED

1177 property owner.

1178 (10) Failing to voluntarily furnish a copy of each
1179 listing, contract, lease, and other document to each party
1180 executing the document with reasonable promptness.

1181 (11) Paying any profit, compensation, commission, or
1182 fee to, or dividing any profit, compensation, commission, or
1183 fee with, anyone other than a licensee or multiple listing
1184 service. This subdivision shall not prevent an associate
1185 broker or salesperson from owning any lawfully constituted
1186 business organization, including, but not limited to, a
1187 corporation or limited liability company or limited liability
1188 corporation, for the purpose of receiving payments
1189 contemplated in this subsection. The business organization
1190 shall not be required to be licensed under this chapter, and
1191 shall not engage in any other activity requiring a real estate
1192 license.

1193 (12) Paying or receiving any rebate from any person in
1194 a real estate transaction.

1195 (13) Inducing or guiding any party to a contract to
1196 ~~break~~breach the contract for the purpose of substituting a new
1197 contract, where the substitution is motivated by the personal
1198 gain of the licensee.

1199 (14) If the licensee is a salesperson or associate
1200 broker, accepting a commission or other valuable consideration
1201 for performing any act for which a license is required from
1202 any person except his or her qualifying broker.

1203 (15) If the licensee is a qualifying broker or company,
1204 allowing a salesperson or associate broker licensed under him



HB3 INTRODUCED

1205 or her to advertise himself or herself as a real estate agent
1206 without the name or trade name of the qualifying broker or
1207 company appearing prominently on the advertising; or if the
1208 licensee is a salesperson or associate broker, advertising
1209 himself or herself as a real estate agent without the name or
1210 trade name of the qualifying broker or company under whom the
1211 salesperson or associate broker is licensed appearing
1212 prominently on the advertising. For purposes of this
1213 subdivision, "prominently" means use of a font size that is
1214 equal to or larger in size than any other text or logo in the
1215 advertisement and situated and sized for the purpose of
1216 gaining the attention of consumers viewing the advertisement.

1217 (16) ~~Presenting to the commission, as payment for a fee~~
1218 ~~or fine, a check that is returned unpaid.~~ Failing, as the
1219 buyer's agent, to notify the listing agent in writing within
1220 three business days in the event that the buyer has not
1221 deposited earnest money in accordance with a contract
1222 requiring the buyer to deposit escrow funds with any person or
1223 entity.

1224 b. Failing, as the listing agent, to notify his or her
1225 client immediately if no written receipt of escrow funds has
1226 been provided to the listing agent within three business days
1227 of the time specified by the contract for deposit of escrow
1228 funds.

1229 (17) Establishing an association, by employment or
1230 otherwise, with an unlicensed person who is expected or
1231 required to act as a licensee, or aiding, abetting, or
1232 conspiring with a person to circumvent the requirements of



HB3 INTRODUCED

1233 this chapter.

1234 (18) Failing to disclose to an owner the licensee's
1235 intention to acquire, directly or indirectly, an interest in
1236 property which he or she or his or her associates have been
1237 employed to sell.

1238 (19) Violating or disregarding any provision of this
1239 chapter or any rule, regulation, or order of the commission.

1240 (20) If a broker, ~~accepting~~ accepts a "net listing"
1241 agreement for sale of real property or any interest therein. A
1242 "net listing" is one that stipulates a net price to be
1243 received by the owner with the excess due to be received by
1244 the broker as his or her commission.

1245 (21) Misrepresenting or failing to disclose to any
1246 lender, guaranteeing agency, or any other interested party,
1247 the true terms of a sale of real estate.

1248 (22) Failing to inform the buyer or seller at the time
1249 an offer is presented that he or she will be expected to pay
1250 certain closing costs and the approximate amount of those
1251 costs.

1252 (23)a. Having entered a plea of guilty or nolo
1253 contendere to, or having been found guilty of or convicted of
1254 a felony or a crime involving moral turpitude.

1255 b. Having a final money judgment rendered against him
1256 or her which results from an act or omission occurring in the
1257 pursuit of his or her real estate business or involves the
1258 goodwill of an existing real estate business.

1259 (24) Offering free lots or conducting lotteries for the
1260 purpose of influencing a party to purchase or lease real



HB3 INTRODUCED

1261 estate.

1262 (25) a. Failing to ~~include a fixed date of expiration in~~
1263 ~~a written listing agreement or failing to~~ leave a copy of the
1264 written residential listing agreement or written residential
1265 property management agreement with the principal.

1266 b. Failing to include a fixed date of expiration, not
1267 to exceed one year from the date of commencement, in a written
1268 residential listing agreement.

1269 c. Recording or filing a residential listing agreement
1270 with a probate court or probate office to encumber the
1271 property that is the subject of the listing agreement.

1272 (26) Conduct which constitutes or demonstrates
1273 dishonest dealings, bad faith, or untrustworthiness.

1274 (27) Acting negligently or incompetently in performing
1275 an act for which a person is required to hold a real estate
1276 license.

1277 (28) Failing or refusing on demand to produce a
1278 document, book, or record in his or her possession concerning
1279 a real estate transaction conducted by him or her for
1280 inspection by the commission or its authorized personnel or
1281 representative.

1282 (29) Failing within a reasonable time to provide
1283 information requested by the commission during an
1284 investigation or after a formal complaint has been filed.

1285 (30) Failing without cause to surrender to the rightful
1286 owner, on demand, a document or instrument coming into his or
1287 her possession.

1288 (31) ~~If~~ Failure by a qualifying broker or company,



HB3 INTRODUCED

1289 ~~failing~~ to keep in ~~thei~~rits files copies of all contracts,
1290 leases, listings, and other records pertinent to real estate
1291 transactions for a period of three years.

1292 (32) When selling, offering to sell, assigning, or
1293 offering to assign an equitable interest in a contract to
1294 purchase residential real estate:

1295 a. Failing to disclose in writing to a potential buyer
1296 that the holder of the equitable interest is not the deed
1297 holder of the property and is only offering to sell or assign
1298 his or her equitable interest; or

1299 b. Failing to disclose in writing to a seller of both
1300 the intent to assign the seller's real estate prior to
1301 offering to assign the interest and of the assignation of the
1302 interest.

1303 ~~(b)~~ (c) If it appears that a person, ~~firm, corporation,~~
1304 ~~or any business entity~~ has engaged, or is about to engage, in
1305 an act or practice constituting a violation of Article 1 or 2
1306 of this chapter or any rule or order of the commission, the
1307 commission, through the Attorney General, may institute legal
1308 actions to enjoin the act or practice and to enforce
1309 compliance with Articles 1 and 2 of this chapter or any rule
1310 or order of the commission. To prevail in an action, it shall
1311 not be necessary to allege or prove either that an adequate
1312 remedy at law does not exist or that substantial or
1313 irreparable damage would result from the continued violation.

1314 ~~(e)~~ (d) (1) Notwithstanding any other provisions of law,
1315 the commission may issue an order requiring any accused
1316 person, firm, corporation, or business entity to cease and



HB3 INTRODUCED

1317 desist from engaging in activities requiring a license under
1318 this chapter when the accused person, firm, corporation, or
1319 business entity is not licensed under this chapter. The order
1320 shall be entered by the executive director after a finding of
1321 probable cause by the commission staff. The order shall become
1322 final 15 days after its service upon the accused, unless the
1323 accused requests a hearing before the commission. Upon hearing
1324 the case and finding violations, the commission may make the
1325 cease and desist order final and the commission may impose a
1326 fine for each violation in an amount consistent with the range
1327 of fines applicable to licensees, and in addition, may impose
1328 a fine in the amount of any gain or economic benefit that was
1329 derived from the violation, and in addition, may impose a fine
1330 in the amount of the commission's costs incurred. Any fines
1331 not paid as ordered shall be enforceable in any court with
1332 competent jurisdiction and proper venue.

1333 (2) Notwithstanding any other provisions of law, the
1334 commission may decline to issue an order requiring any accused
1335 person, firm, corporation, or business entity to cease and
1336 desist from engaging in activities requiring a license under
1337 this chapter when the accused person, firm, corporation, or
1338 business entity is not licensed under this chapter. In this
1339 instance, the commission shall proceed to give appropriate
1340 notice of the violations and hold a hearing thereon. Upon
1341 hearing the case and finding violations, the commission may
1342 impose a fine for each violation in an amount consistent with
1343 the range of fines applicable to licensees, and in addition,
1344 may impose a fine in the amount of any gain or economic



HB3 INTRODUCED

1345 benefit that was derived from the violation, and in addition,
1346 may impose a fine in the amount of the commission's costs
1347 incurred. Any fine or fines not paid as ordered shall be
1348 enforceable in any court with competent jurisdiction and
1349 proper venue.

1350 ~~(d)~~ (e) The commission shall notify the licensee and
1351 qualifying broker in writing regarding the complaint.

1352 ~~(e)~~ (f) The commission shall notify the complainant,
1353 licensee, and qualifying broker in writing regarding the
1354 disposition of the complaint."

1355 "§34-27-81

1356 As used in this article, the following words ~~shall~~ have
1357 the following meanings:

1358 (1) AGENCY AGREEMENT. A written agreement between a
1359 broker and a client which creates a fiduciary relationship
1360 between the broker and a ~~principal, who is commonly referred~~
1361 ~~to as a client~~ consumer.

1362 (2) BROKER. Any person licensed as a real estate broker
1363 pursuant to Articles 1 and 2 of this chapter.

1364 (3) BROKERAGE AGREEMENT. A specific written agreement
1365 between a ~~brokerage firm~~ real estate company and a consumer
1366 which establishes a brokerage relationship. The brokerage
1367 agreement shall contain a statement of the terms and
1368 conditions of the brokerage services to be provided.

1369 (4) BROKERAGE SERVICE. Any service, except for rental
1370 or property management services, provided by a broker or
1371 licensee to another person and includes all activities for
1372 which a real estate license is required under Articles 1 and 2



HB3 INTRODUCED

1373 of this chapter.

1374 (5) CONSUMER. A person who obtains information, advice,
1375 or services concerning real estate from a real estate
1376 licensee.

1377 (6) CLIENT. A person who has an agency agreement with a
1378 broker for brokerage service, whether he or she be buyer or
1379 seller.

1380 (7) CUSTOMER. A person who is provided brokerage
1381 services by a broker or licensee but who is not a client of
1382 the broker.

1383 (8) DESIGNATED SINGLE AGENT. An agency agreement in
1384 which two or more licensed individuals under the same
1385 qualifying broker each represent a different party in the
1386 transaction, as designated by the qualifying broker. In this
1387 circumstance, neither the qualifying broker nor other
1388 licenses involved in the transaction shall be assumed to have
1389 imputed knowledge.

1390 ~~(8)~~ (9) DUAL AGENCY. An agency ~~relationship~~agreement in
1391 which ~~the same brokerage firm~~ licensee, with informed written
1392 consent of all parties to a transaction, represents both the
1393 seller and the buyer in the same real estate transaction once
1394 all parties have signed the agreement. ~~Circumstances which~~
1395 ~~establish a dual agency include, but are not limited to, one~~
1396 ~~of the following:~~

1397 ~~a. When two or more licensees licensed under the same~~
1398 ~~broker each represent a different party to the transaction.~~

1399 ~~b. When one licensee represents both the buyer and~~
1400 ~~seller in a real estate transaction.~~



HB3 INTRODUCED

1401 ~~(9)~~ (10) INFORMED CONSENT. A consumer's agreement to
1402 allow something to happen which is based upon full disclosure
1403 of facts needed to choose appropriate brokerage services.

1404 (11) IMPUTED KNOWLEDGE. Knowledge attributed to a party
1405 because of his or her position, relationship to another party,
1406 or responsibility for another party.

1407 ~~(10)~~ (12) LICENSEE. Any broker, salesperson, or company.

1408 ~~(11) LIMITED CONSENSUAL DUAL AGENT. A licensee who,~~
1409 ~~with the written informed consent of all parties to a~~
1410 ~~contemplated real estate transaction, is engaged as an agent~~
1411 ~~for both the buyer and seller. Circumstances which establish~~
1412 ~~dual agency include, but are not limited to, one of the~~
1413 ~~following:~~

1414 ~~a. When two or more licensees licensed under the same~~
1415 ~~broker each represent a different party to the transaction.~~

1416 ~~b. When one licensee represents both the buyer and~~
1417 ~~seller in a real estate transaction.~~

1418 ~~(12)~~ (13) MATERIAL FACT. A fact that is of significance
1419 to a reasonable party which affects the party's decision to
1420 enter into a real estate contract.

1421 ~~(13)~~ (14) QUALIFYING BROKER. A broker under whom a
1422 corporation, partnership, branch office, or lawfully
1423 constituted business organization, as the Legislature may from
1424 time to time provide, is licensed, or a broker licensed to do
1425 business as a sole proprietorship who is responsible for
1426 supervising the acts of the company, or proprietorship and all
1427 real estate licensees licensed therewith.

1428 ~~(14)~~ (15) REAL ESTATE TRANSACTION. The purchase, sale,



HB3 INTRODUCED

1429 lease and rental, option, or exchange of an interest in real
1430 estate.

1431 ~~(15)~~ (16) SINGLE AGENT. A licensee who has an agency
1432 agreement and is engaged by and represents only one party in a
1433 real estate transaction. A single agent ~~includes, but is not~~
1434 ~~limited to, one~~ may be any of the following:

1435 a. Buyer's agent, which means a broker or licensee who
1436 is engaged by and represents only the buyer in a real estate
1437 transaction.

1438 b. Seller's agent, which means a broker or licensee who
1439 is engaged by and represents only the seller in a real estate
1440 transaction.

1441 ~~(16) SUB-AGENT. A licensee who is empowered to act for~~
1442 ~~another broker in performing real estate brokerage tasks for a~~
1443 ~~principal, and who owes the same duties to the principal as~~
1444 ~~the agent of the principal.~~

1445 (17) TRANSACTION ~~BROKER~~ FACILITATOR. A licensee who
1446 assists one or more parties in a contemplated real estate
1447 transaction without being an agent or fiduciary or advocate
1448 for the interest of that party to a transaction. The term
1449 "transaction facilitator" and the term "transaction broker" in
1450 Act 98-618"

1451 "§34-27-82

1452 (a) When engaged in any real estate transaction, the
1453 licensee may act as a single agent, ~~sub-agent, a limited~~
1454 ~~consensual~~ dual agent, or as a transaction ~~broker~~ facilitator.

1455 (b) At the initial contact between a licensee and the
1456 consumer and until such time a ~~broker~~ licensee enters into a



HB3 INTRODUCED

1457 specific written agreement to establish an agency relationship
1458 with one or more of the parties to a transaction, the licensee
1459 shall be considered a transaction facilitator and not ~~be~~
1460 ~~considered~~ an agent of that consumer. An agency relationship
1461 shall not be assumed, implied, or created without a written
1462 bilateral agreement signed by the licensee and the consumer
1463 establishing the terms of the agency relationship.

1464 (c) As soon as reasonably possible and before any
1465 confidential information is disclosed to any other person by a
1466 licensee, the licensee shall provide a written disclosure form
1467 to a consumer for signature describing the ~~alternative~~ types
1468 of brokerage services, as identified in subsection (a), that
1469 are available to clients and customers of real estate
1470 brokerage companies. The licensee shall also inform a consumer
1471 as to the specific types of brokerage services that are
1472 provided by his or her company. A broker shall not be required
1473 to offer or engage in any one or in all of the ~~alternative~~
1474 brokerage ~~arrangements~~services specified in subsection (a).
1475 The licensee will provide a written form to the consumer for
1476 their signature describing the ~~alternative~~ types of brokerage
1477 ~~arrangements~~services available. All rental or property
1478 management services are excluded from the requirements of this
1479 subsection.

1480 (d) A licensee shall not be required to comply with the
1481 provisions of subsection (c) when engaged in transactions with
1482 any corporation, non-profit corporation, professional
1483 corporation, professional association, limited liability
1484 company, partnership, any partnership created under the



HB3 INTRODUCED

1485 Uniform Partnership Act (commencing at Section 10-8A-101),
1486 real estate investment trust, business trust, charitable
1487 trust, family trust, or any governmental entity in
1488 transactions involving real estate.

1489 (e) After disclosure, the consumer may make an
1490 affirmative election of a specific type of brokerage
1491 ~~arrangement~~service that is available from the real estate
1492 brokerage company. The brokerage agreement shall contain a
1493 statement of the terms and conditions of the brokerage
1494 services that the ~~broker~~company will provide. In the absence
1495 of a signed brokerage agreement between the parties, the
1496 transaction ~~brokerage~~facilitator relationship shall remain in
1497 effect.

1498 (f) When serving as a transaction ~~broker~~facilitator,
1499 the duties of the licensee to all the parties to a real estate
1500 transaction are limited to those which are enumerated in
1501 Section 34-27-84. A signed brokerage agreement between the
1502 parties or, in the absence of a signed brokerage agreement,
1503 the continuation of the transaction ~~brokerage~~facilitator
1504 relationship, shall constitute informed consent by the
1505 consumer as to the services the consumer shall receive from
1506 the broker.

1507 (g) Disclosure forms shall be provided to buyers and
1508 sellers. All real estate ~~brokerage firms~~companies operating
1509 within the State of Alabama shall use the same agency
1510 disclosure forms. Disclosure forms describing the alternative
1511 types of brokerage services identified above shall be written
1512 by the Alabama Real Estate Commission.



HB3 INTRODUCED

1513 (h) Each offer to purchase shall prominently display
1514 the a representation disclosure clause in the following form,
1515 completed and initialed as indicated:

1516 The listing licensee, _____, is:

1517 An agent of the seller.

1518 A dual agent.

1519 Assisting the seller as a transaction facilitator.

1520 The selling licensee, _____, is:

1521 An agent of the buyer

1522 A dual agent.

1523 Assisting the buyer as a transaction facilitator.

1524 ~~(h)~~ (i) Nothing in this section shall prohibit the
1525 consumer from entering into a written contract with a
1526 qualifying broker which contains provisions for services not
1527 specifically identified in the written disclosure form."

1528 "§34-27-83

1529 Any qualifying broker acting in a real estate
1530 transaction shall adopt a written agency disclosure office
1531 policy which specifically enumerates the types of brokerage
1532 ~~service arrangements~~ services a licensee may offer or accept.

1533 (a) The qualifying broker for each ~~brokerage~~ real estate
1534 company shall provide every licensee a copy of the agency
1535 disclosure policy regarding the types of brokerage services
1536 offered by their company. This policy shall be explained to
1537 all licensees at least once a year.

1538 (b) A form acknowledging receipt of the agency
1539 disclosure office policy ~~statement~~ and a satisfactory
1540 explanation of its contents shall be signed by each licensee



HB3 INTRODUCED

1541 and a copy retained by the ~~brokerage~~real estate company for
1542 three years."

1543 "§34-27-84

1544 (a) Licensees shall have all of the following
1545 obligations to all parties in a real estate transaction:

1546 (1) To provide brokerage services to all parties to the
1547 transaction honestly and in good faith.

1548 (2) To exercise reasonable skill and care in providing
1549 brokerage services to all parties.

1550 (3) To keep confidential any information given to the
1551 licensee in confidence, or any information obtained by the
1552 licensee that the licensee knows a reasonable individual would
1553 want to keep confidential, unless disclosure of this
1554 information is required by law, ~~violates a fiduciary duty to a~~
1555 ~~client, becomes public knowledge,~~ or is authorized by the
1556 party in writing, or the information becomes public knowledge,
1557 or the failure to disclose the information violates a
1558 fiduciary duty to a client.

1559 (4) To account for all property coming into the
1560 possession of the licensee that belongs to any party to the
1561 real estate transaction.

1562 (5) When assisting a party in the negotiation of a real
1563 estate transaction, to present all written offers in a timely
1564 and truthful manner.

1565 (6) To act on behalf of the licensee or his or her
1566 immediate family, or on behalf of any other individual,
1567 organization, or business entity in which the licensee has a
1568 personal interest only with prior timely written disclosure of



HB3 INTRODUCED

1569 this interest to all parties to the transaction.

1570 (b) A licensee may provide requested information which
1571 affects a transaction to any party who requests the
1572 information, unless disclosure of the information is
1573 prohibited by law or in this article.

1574 (c) When accepting an agreement to list an owner's
1575 property for sale, the ~~broker or his or her~~ licensee shall, at
1576 a minimum, accept delivery of and present to the consumer all
1577 offers, counteroffers, and addenda to assist the consumer in
1578 negotiating offers, counteroffers, and addenda, and to answer
1579 the consumer's questions relating to the transaction."

1580 "§34-27-85

1581 (a) In addition to the duties enumerated in Section
1582 34-27-84, a licensee shall provide all of the following
1583 services to clients:

1584 (1) Loyally represent the best interests of the client
1585 by placing the interests of the client ahead of the interests
1586 of any other party, unless loyalty to a client violates the
1587 duties of the licensee to other parties under Section
1588 34-27-84, or is otherwise prohibited by law.

1589 (2) Disclose to the client all information known by the
1590 licensee that is material to the transaction and not
1591 discoverable by the client through reasonable investigation
1592 and observation, except for confidential information as
1593 provided in subdivision (3) of subsection (a) of Section
1594 34-27-84. A licensee shall have no affirmative duty to
1595 discover the information.

1596 (3) Fulfill any obligation required by the agency



HB3 INTRODUCED

1597 agreement, and any lawful instructions of the client that are
1598 within the scope of the agency agreement, that are not
1599 inconsistent with other duties as enumerated in this article.

1600 (b) A ~~broker~~licensee who represents more than one
1601 client in a real estate transaction owes the duties as
1602 specified in subsection (a) to each client, except where the
1603 duties to one client will violate the fiduciary duties of the
1604 licensee to other clients.

1605 (c) A ~~broker~~licensee may provide brokerage services as
1606 a ~~limited-consensual~~ dual agent only with the prior written,
1607 informed consent of all clients of the ~~broker~~licensee in the
1608 transaction."

1609 "§34-27-86

1610 (a) A client is not liable for a misrepresentation made
1611 by a ~~broker~~licensee in connection with the ~~broker~~licensee
1612 providing brokerage services unless the client knows or should
1613 have known of the misrepresentation or the ~~broker~~licensee is
1614 repeating a misrepresentation made by the client to the
1615 ~~broker~~licensee.

1616 (b) A licensee shall not be liable for providing false
1617 information to a party in a real estate transaction if the
1618 false information was provided to the licensee by a client of
1619 the licensee or by a customer or by another licensee unless
1620 the licensee knows or should have known that the information
1621 was false."

1622 Section 2. Section 34-27-39 is added to the Code of
1623 Alabama 1975, to read as follow:

1624 34-27-29.



HB3 INTRODUCED

1625 (a) No licensee shall advertise or market as a team,
1626 group, or other affiliation unless actively licensed as a team
1627 by the commission.

1628 (b) The leader of any licensed team shall at a minimum
1629 be a licensed Alabama associate broker.

1630 (c) A broker wishing to license a team must complete
1631 the team license application established by the commission.
1632 The application must be authorized by the leader of the
1633 proposed team and the team leader's qualifying broker. The
1634 application must include the name and license number of all
1635 licensees that will initially be a member of the team.

1636 (d) The commission may establish a one-year or
1637 multi-year team license period.

1638 (e) The original fee for each team license shall be one
1639 hundred dollars (\$100) per year or portion of a year remaining
1640 in the respective license period, and the renewal fee for each
1641 team license shall be one hundred dollars (\$100) per year for
1642 each year of the license period. Team licenses must be renewed
1643 by September 30 of the final year of a licensing period, or
1644 the team shall be inactivated and subject to reactivation
1645 requirements. The fee to reactivate a team shall be fifty
1646 dollars (\$50).

1647 (f) To dissolve a team, the request must be made as
1648 prescribed by the commission and approved by the team leader
1649 and the team leader's qualifying broker.

1650 (g) To change the name of a team, the fee shall be
1651 fifty dollars (\$50), and the request must be made as
1652 prescribed by the commission and approved by the team leader



HB3 INTRODUCED

1653 and the team leader's qualifying broker.

1654 (h) To add or remove a member from a team, the fee
1655 shall be twenty-five dollars (\$25) per member who is added or
1656 removed. The request must be made as prescribed by the
1657 commission and approved by the team leader and the team
1658 leader's qualifying broker.

1659 (i) The team leader, the team leader's qualifying
1660 broker, and the company's qualifying broker are all
1661 responsible for supervising team members.

1662 (j) The team leader and the team leader's qualifying
1663 broker are responsible for notifying the team members if a
1664 team member is removed from a team or the team is dissolved or
1665 inactivated.

1666 (k) No person shall be a member on more than one
1667 licensed team.

1668 (l) The commission shall adopt rules addressing teams
1669 and what words may or may not be used in a team name and how
1670 teams may advertise and market.

1671 Section 3. This act shall become effective on October
1672 1, 2024.