

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	7 - 0 - 0
Yeas:	Berger, Edwards C., Esquivel, Holvey, Rosenbaum, Smith P., Schaufler
Nays:	0
Exc.:	0
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	5/7

WHAT THE MEASURE DOES: Clarifies the authority of the Real Estate Agency to only issue real estate licenses to individuals. Defines a “nonlicensed individual” for the purposes of distinguishing who can conduct professional real estate activity or real estate rental management. Defines an expired, inactive and lapsed license. Conforms statutory language to more effectively use defined terms. Authorizes the Real Estate Agency to adopt rules relating to an inactive or suspended licensee acting on the licensee’s own behalf. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Measure clarifies terminology throughout real estate statutes to common usage of terms in existing administrative rules
- Whether individuals who have lapsed or inactive real estate licenses have to disclose their license status when participating in a property transaction involving earnest money

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Real estate licensing statutes currently use the term “person” in a number of places when the term “individual” should be used instead. The term “person” can include corporations and other entities as well as individuals. By substituting the proper term of “individual,” SB 167 A clarifies that only individuals may hold real estate broker or real estate manager licenses. The bill directs the agency through rulemaking to allow maintenance of licensee records out of state and to specify how and under what circumstances inactive or suspended agents may act on their own behalf in real estate transactions. The definition of the term “non-licensed individual” is amended to include individuals who were never licensed, as well as those whose license is inactive, suspended, revoked, or expired, to clarify that all such individuals are prohibited from engaging in professional real estate activity.