HOUSE BILL 383

Introduced by Brandewie, et al.

1/20 Incroduced	1/28	Introduced
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- 1/28 Referred to Business & Economic Development
- 1/28 First Reading
- 1/28 Fiscal Note Requested
- 2/02 Fiscal Note Received
- 2/04 Fiscal Note Printed
- 2/10 Hearing
- 2/11 Committee Report--Bill Passed as Amended
- 2/13 2nd Reading Passed
- 2/16 3rd Reading Passed

Transmitted to Senate

- 2/20 First Reading
- 2/20 Referred to Business & Industry
- 3/17 Hearing
- 3/24 Committee Report--Bill Not Passed
- 3/24 Adverse Committee Report Adopted

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House BILL NO. 383 1 2 INTRODUCED BY BY REQUEST OF THE DEPARTMENT OF COMMERCE 3 4.

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE 5 6 BOARD OF REALTY REGULATION LAWS: PROVIDING FOR CREATION OF A 7 REAL ESTATE EDUCATION COUNCIL TO MONITOR REAL ESTATE EDUCATION PROGRAMS FOR THE BOARD; PROVIDING FOR PAYMENT OF 8 THE EXPENSES OF THE COUNCIL FROM THE REAL ESTATE RECOVERY 9 10 ACCOUNT: SPECIFYING GROUNDS FOR DENIAL OF LICENSES TO APPLICANTS: ESTABLISHING INTERMEDIATE LIMITED SANCTIONS FOR 11 DISCIPLINING LICENSEES; AND AMENDING SECTIONS 37-51-204 AND 12 37-51-302, MCA." 13

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STATEMENT OF INTENT

A statement of intent is required for this bill because 16 17 it delegates to the board of realty regulation the authority to adopt rules to operate a real estate education council 18 and to promulgate functions to be exercised by a real estate 19 20 education council. It is intended that the board shall adopt 21 rules providing the real estate education council with 22 parameters within which it will operate in approving both 23 prelicensure education and continuing education courses.

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1 Section 1. Section 37-51-204, MCA, is amended to read: *37-51-204. Educational programs 2 and continuing З education -- real estate education council. (1) The board may, subject to 37-1-101, conduct, hold, participate in, or 4 5 assist in conducting or holding real estate clinics, meetings, courses, conferences, or institutes and incur 6 7 necessary expenses in this connection for the purpose of 8 educating the staff, the board, licensees, and the general 9 public.

10 (2) The board may assist libraries and educational
11 institutions in sponsoring studies and programs for the
12 purpose of raising the standards of the real estate business
13 and the competency of licensees.

14 (3) The board may prescribe by rule continuing 15 education requirements for all licensees, not to exceed 15 16 classroom or equivalent hours in any 2-year period, 17 including proof of conformancey-but-except--as--provided--in 18 37-51-302---the---board---may--not--require--examination--of 19 licensees.

20 (4) The board may edit, print, and distribute a
21 newsletter intended to inform licensees and the general
22 public of board activities and upcoming changes in the real
23 estate industry or to maintain communications on topics of
24 interest.
25 (5) The board may appoint a real estate education

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1	council consisting of six members to perform functions as
2	set forth in rules adopted by the board. Members other than
3	the executive secretary of the board shall serve terms of 4
4	years, with staggered terms for original members, and must
5	be reimbursed for expenses in the manner provided in
6	37-1-133. The membership of the council is as follows:
7	(a) two members must be real estate educators;
8	(b) two members must be real estate licensees;
9	(c) one member must be a board member; and
10	(d) the remaining member is the executive secretary of
11	the board.
12	(6) The real estate education council shall:
13	(a) offer assistance on behalf of the board to those
14	persons providing real estate clinics, meetings, courses,
15	conferences or institutes;
16	(b) recommend real estate education policy and course
17	content for all education courses approved by the board;
18	(c) assist in the preparation or approval of other
19	courses or clinics considered advisable for promoting higher
20	standards of practice in the real estate business; and
21	(d) pay expenses incurred under this subsection (6)
22	from excess real estate recovery account funds as provided
23	<u>in 37-51-501.</u> "
24	Section 2. Section 37-51-302, MCA, is amended to read:
25	*37-51-302. Broker or salesman license

qualifications of applicant <u>-- reasons for denial of</u>
licensure. (1) Licenses may be granted only to individuals
considered by the board to be of good repute and competent
to transact the business of a broker or salesman in a manner
as to safeguard the interests of the public.

(2) An applicant for a broker's license shall:

7 (a) be at least 18 years of age;

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8 (b) have graduated from an accredited high school or
9 completed an equivalent education as determined by the
10 board;

11 (c) have been actively engaged as a licensed real 12 estate salesman for a period of 2 years or have had 13 experience or special education equivalent to that which a 14 licensed real estate salesman ordinarily would receive during this 2-year period as determined by the board, except 15 16 that if the board finds that an applicant could not obtain 17 employment as a licensed real estate salesman because of conditions existing in the area where he the applicant 18 19 resides, the board may waive this experience requirement;

20 (d) file an application for license with the 21 department; and

(e) furnish written evidence that he <u>the applicant</u> has
completed 60 classroom or equivalent hours (in addition to
those required to secure a salesman's license) in a course
of study approved by the board and taught by instructors

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approved by the board and has satisfactorily passed an
 examination dealing with the material taught in each course.
 The course of study must include the subjects of real estate
 principles, real estate law, real estate finance, and
 related topics.

6 (3) The board shall require information it considers
7 necessary from an applicant to determine his honesty,
8 trustworthiness, and competency.

9 (4) The board may deny an application for a license for
10 any of the following reasons:

11 (a) failure to meet the relevant requirements for

12 licensure pursuant to Title 37, chapter 51;

13 (b) making any untrue or fraudulent statement in 14 support of the application;

15 (c) failure of the applicant to demonstrate financial
16 or fiduciary responsibility; or

17 (d) any of the grounds set forth in 37-51-321 that, had

18 <u>a license already been issued</u>, would be sufficient for
19 suspension or revocation of a license.

20 (4)(5) (a) An applicant for a salesman's license shall:
21 (i) be at least 18 years of age;

(ii) have received credit for completion of 2 years of
full curriculum study at an accredited high school or
completed an equivalent education as determined by the
board;

1 (iii) file an application for license with the
2 department; and

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11 (b) His <u>An</u> application shall <u>must</u> be accompanied by the 12 recommendation of the licensed broker by whom the applicant 13 will be employed or placed under contract, certifying that 14 the applicant is of good repute and that the broker will 15 actively supervise and train the applicant during the period 16 the requested license remains in effect.

17 (5)(6) The department shall issue to each licensed 18 broker and to each licensed salesman a license and a pocket 19 card in a form and size as the board prescribes.

20 (6)(7) A broker's license must indicate whether the
21 broker is a broker owner or a broker associate."

22 <u>NEW SECTION.</u> Section 3. Limited sanctions. If the 23 board, after opportunity for a hearing, determines that 24 evidence obtained against a licensee does not warrant 25 suspension or revocation of a license as prescribed in

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1 37-51-321, but does warrant other sanctions, it may: (1) issue a public or private censure; 2 (2) impose a probationary period, with terms and З conditions adapted to the particular circumstances of the 4 case; 5 6 (3) issue a letter of reprimand to the licensee; (4) levy an administrative penalty not to exceed \$5,000 7 to be deposited in the general fund; or 8 (5) impose any combination of the sanctions in 9 10 subsections (1) through (4) as the board finds appropriate. NEW SECTION. Section 4. Codification 11 instruction. 12 [Section 3] is intended to be codified as an integral part 13 of Title 37, chapter 51, part 3, and the provisions of Title 14 37, chapter 51, part 3, apply to [section 3].

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STATE OF MONTANA - FISCAL NOTE Form BD-15 In compliance with a written request, there is hereby submitted a Fiscal Note for <u>HB0383, as introduced</u>.

<u>DESCRIPTION OF PROPOSED LEGISLATION</u>: The bill generally revises the real estate regulation laws; providing for a real estate education council to monitor real estate education programs for the board; providing payment of the expenses of the council from the real estate recovery account; specifying grounds for denial of licenses to applications; establishing intermediate limited sanctions for disciplining licensees.

ASSUMPTIONS:

- 1. The budget will be the current and modified levels approved in the executive budget for FY94 and FY95, and the income will be same as FY92.
- 2. There will be two news letters per year for 5,500 licensees at \$1,500 per issue, plus distribution costs of \$1,000 per issue.
- 3. The council will consist of six members and will meet at least six times per year, at cost of \$1,000 per meeting, including mileage, per diem, lodging, and meals.
- 4. The board and administrative staff will participate in and earn continuing education credits at a cost of \$4,400 for 4 members.
- 5. The actual education program will cost \$1,000 per day for 15 days; meeting rooms \$100 per day; and course materials \$166 per day; and travel expenses of \$67 per day.
- 6. The program will be paid for out of income and account balance of the Real Estate Recovery Fund.

FISCAL IMPACT:

		FY_'94	<u> </u>		<u>FY 195</u>	
	Current Law	Proposed Law	<u>Difference</u>	Current Law	Proposed Law	Difference
Expenditures:						
Personal Service	57,856	59,856	2,000	58,218	60,218	2,000
Operating Expenses	<u>195,809</u>	230,224	<u>34,415</u>	<u>196,751</u>	<u>231,166</u>	<u>34,415</u>
Total	253,665	290,080	36,415	254,969	291,384	36,415
Revenues:						
Fees	304,000	304,000	0	304,000	304,000	0
<u>Net_Impact:</u>	<u>50,335</u>	<u>13,920</u>	36,415	<u>49,031</u>	12,616	36,415

DAVID LEWIS, BUDGET DIRECTOR DATE Office of Budget and Program Planning

RAY BRANDEWIE, PRIMARY SPONSOR DATE

Fiscal Note for <u>HB0383</u>, as introduced HB 383

53rd Legislature

HB 0383/02

APPROVED BY COMM. ON BUSINESS AND ECONOMIC DEVELOPMENT

1	HOUSE BILL NO. 383
2	INTRODUCED BY BRANDEWIE, WISEMAN
3	BY REQUEST OF THE DEPARTMENT OF COMMERCE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE
6	BOARD OF REALTY REGULATION LAWS; PROVIDING FOR CREATION OF A
7	REAL ESTATE EDUCATION COUNCIL TO MONITOR REAL ESTATE
8	EDUCATION PROGRAMS FOR THE BOARD; PROVIDING FOR PAYMENT OF
9	THE EXPENSES OF THE COUNCIL FROM THE REAL ESTATE RECOVERY

ACCOUNT; SPECIFYING GROUNDS FOR DENIAL OF LICENSES TO 10 APPLICANTS; ESTABLISHING INTERMEDIATE LIMITED SANCTIONS FOR 11 DISCIPLINING LICENSEES; AND AMENDING SECTIONS 37-51-204 AND 12 13 37-51-302, MCA."

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20 (4) The board may edit, print, and distribute a 21 newsletter intended to inform licensees and the general public of board activities and upcoming changes in the real 22 23 estate industry or to maintain communications on topics of 24 interest.

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HB 383 SECOND READING

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7	(a) two members must be real estate educators;
8	(b) two members must be real estate licensees;
9	(C) ONE MEMBER MUST BE A PROPERTY MANAGER LICENSED AS
10	PROVIDED IN [SENATE BILL NO. 111];
11	<pre>tet(D) one member must be a board member; and</pre>
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1	Section 2. Section 37-51-302, MCA, is amended to read:
2	"37-51-302. Broker or salesman license
3	qualifications of applicant reasons for denial of
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5	considered by the board to be of good repute and competent
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8	(2) An applicant for a broker's license shall:
9	(a) be at least 18 years of age;
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24 <u>NEW SECTION.</u> Section 3. Limited sanctions. If the
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53rd Legislature

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HB 0383/02

HOUSE BILL NO. 383 INTRODUCED BY BRANDENIE, WISEMAN BY REQUEST OF THE DEPARTMENT OF CONNERCE

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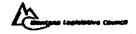
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THIRD READING

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 subsections (1) through (4) as the board finds appropriate.
 NEW SECTION. Section 4. Codification instruction.

14 [Section 3] is intended to be codified as an integral part 15 of Title 37, chapter 51, part 3, and the provisions of Title 16 37, chapter 51, part 3, apply to [section 3].

17 NEW SECTION. SECTION 5. COORDINATION INSTRUCTION. IF 18 SENATE BILL NO. 111, INCLUDING PROVISIONS CREATING A 19 PROPERTY MANAGER'S LICENSE, IS NOT PASSED AND APPROVED, THEN 20 THE CODE COMMISSIONER IS INSTRUCTED TO REVISE [THIS ACT] TO CHANGE THE NUMBER OF MEMBERS OF THE REAL ESTATE EDUCATION 21 22 COUNCIL PROVIDED FOR IN 37-51-204(5) TO SIX AND TO STRIKE 23 THE PROPERTY MANAGER FROM THE MEMBERSHIP OF THE REAL ESTATE 24 EDUCATION COUNCIL.

-End-

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