

SENATE BILL No. 846

April 2, 1992, Introduced by Senators DI NELLO and KELLY
and referred to the Committee on State Affairs and
Military/Veteran Affairs.

A bill to amend section 2504 of Act No. 299 of the Public
Acts of 1980, entitled as amended
"Occupational code,"
as amended by Act No. 413 of the Public Acts of 1984, being sec-
tion 339.2504 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 2504 of Act No. 299 of the Public Acts
2 of 1980, as amended by Act No. 413 of the Public Acts of 1984,
3 being section 339.2504 of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 2504. (1) Before receiving a real estate broker's
6 license, an applicant shall have successfully completed not less
7 than 90 clock hours of approved classroom courses in real estate
8 of which not less than 9 clock hours shall be instruction on
9 civil rights law and equal opportunity in housing, and shall

1 submit an application as described in section 2505. The 90 hours
2 shall be in addition to the hours required to obtain a real
3 estate salesperson's license.

4 (2) Before being permitted to take the real estate
5 salesperson's examination, an applicant shall show proof of suc-
6 cessful completion of not less than 40 clock hours of classroom
7 courses in principles of real estate, of which not less than 4
8 clock hours shall be instruction on civil rights law and equal
9 opportunity in housing.

10 (3) For purposes of subsections (1) and (2), approved
11 courses may be on the following topics:

12 (a) Real estate license law and related regulatory laws.

13 (b) Real property law, including property interests and
14 restrictions.

15 (c) Federal, state, and local tax laws affecting real
16 property.

17 (d) Conveyances, including contracts, deeds, and leases.

18 (e) Financing, including mortgages, land contracts, foreclo-
19 sure, and limits on lending procedures and interest rates.

20 (f) Appraisal of real property.

21 (g) Design and construction.

22 (h) Marketing, exchanging, and counseling.

23 (i) The law of agency.

24 (j) Sales and office management, including listing and sell-
25 ing techniques.

26 (k) Real estate securities and syndications.

1 (1) Investments, including property management.

2 (4) ~~Before~~ UNTIL JANUARY 1, 1995, BEFORE being permitted
3 to renew an active real estate broker's or real estate
4 salesperson's license, a licensee shall have successfully com-
5 pleted, within the preceding 12 months, not less than 6 clock
6 hours of continuing education approved by the department covering
7 changes in economic conditions, law, rules, court cases, and
8 interpretations relating to real property which are pertinent to
9 the activities of a real estate broker or real estate
10 salesperson. Each licensee, in completing 6 clock hours, will
11 have the option of selecting the education courses in that
12 licensee's area of expertise, as long as the education courses
13 are approved by the department.

14 (5) BEGINNING JANUARY 1, 1995, A LICENSEE SHALL HAVE SUC-
15 CESSFULLY COMPLETED, WITHIN THE PRECEDING 24 MONTHS, NOT LESS
16 THAN 8 CLOCK HOURS OF CONTINUING EDUCATION APPROVED BY THE
17 DEPARTMENT COVERING CHANGES IN ECONOMIC CONDITIONS, LAW, RULES,
18 COURT CASES, AND INTERPRETATIONS RELATING TO REAL PROPERTY WHICH
19 ARE PERTINENT TO THE EXPERTISE OF THE LICENSEE. THE BOARD SHALL
20 PROMULGATE RULES DESIGNATING CATEGORIES OF LICENSEE EXPERTISE AND
21 DESIGNATING SUBJECT MATTER AREAS APPROPRIATE TO EACH CATEGORY.

22 (6) ~~-(5)-~~ A license which has been inactive for less than 3
23 years may be reinstated without examination if the licensee shows
24 proof of completion of not less than ~~-6-~~ THE clock hours of con-
25 tinuing education described in subsection (4) OR (5). A broker's
26 license which has been inactive for 3 or more continuous years
27 may be reinstated without examination if the licensee provides

1 proof of the completion of either ~~6~~ THE clock hours of
2 continuing education described in subsection (4) OR (5) for each
3 of the years the license was inactive or 40 clock hours of
4 instruction described in subsection (3). A salesperson's license
5 which has been inactive for 3 or more continuous years may be
6 reinstated if the licensee provides proof of meeting 1 of the
7 following requirements:

8 (a) Completion of ~~6~~ THE clock hours of continuing educa-
9 tion described in subsection (4) OR (5) for each of the years the
10 license was inactive.

11 (b) Completion of 40 clock hours of instruction described in
12 subsection (3).

13 (c) Passing the examination required for licensure as a
14 salesperson as provided in subsection (2).

15 (7) ~~(6)~~ The continuing education requirements provided in
16 subsections (4), ~~and~~ (5), AND (6) shall not be applied towards
17 the real estate broker's license education requirements provided
18 in subsection (1) ~~, nor shall~~ AND THE courses taken under real
19 estate broker's license education requirements SHALL NOT be
20 applied towards the continuing education requirements.

21 (8) ~~(7)~~ The continuing education requirements provided in
22 subsections (4), ~~and~~ (5), AND (6) do not apply to a real estate
23 salesperson or real estate broker renewing his or her license in
24 the year in which the original license was issued.

25 (9) ~~(8)~~ A person who offers or conducts a course or
26 courses of study represented to meet the educational requirements
27 of this article, first shall obtain approval from the department

1 and shall abide by the rules of the department concerning
2 curriculum, instructor qualification, grading system, and other
3 related matters. The department may suspend or revoke the
4 approval of a person for a violation of this article or of the
5 rules promulgated under this article. A person shall not repre-
6 sent that its students are assured of passing an examination
7 required by the department. A person shall not represent that
8 the issuance of departmental approval is a recommendation or
9 indorsement of the person to which it is issued or of a course of
10 instruction given by it. A pre-licensure course approved under
11 this article shall be conducted by a local public school dis-
12 trict, a community college, an institution of higher education
13 authorized to grant degrees, or a private school licensed by the
14 department of education under Act No. 148 of the Public Acts of
15 1943, being sections 395.101 to 395.103 of the Michigan Compiled
16 Laws.

17 (10) ~~-(9)-~~ A person who in operating a school violates sub-
18 section ~~-(8)-~~ (9) shall be subject to the penalties set forth in
19 article 6.

20 (11) ~~-(10)-~~ The department may conduct, hold, or assist in
21 conducting or holding, a real estate clinic, meeting, course, or
22 institute, which shall be open to a person licensed under this
23 article, and may incur the necessary expenses in connection with
24 the clinic, meeting, course, or institute. The department, in
25 the public interest, may assist educational institutions within
26 this state in sponsoring studies, research, and programs for the

1 purpose of raising the standards of professional practice in real
2 estate and the competence of a licensee.