

Occupations; real estate; continuing education for licensed
realtors; revise and allow 3-year license cycle.

OCCUPATIONS: Real estate; OCCUPATIONS: Individual licensing and
regulation; OCCUPATIONS: Code; EDUCATION: Other; STATE AGENCIES
(EXISTING): Consumer and industry services

A bill to amend 1980 PA 299, entitled
"Occupational code,"
by amending sections 409, 411, and 2504 (MCL 339.409, 339.411,
and 339.2504), section 409 as added by 1988 PA 463, section 411
as amended by 1989 PA 261, and section 2504 as amended by 1984 PA
413.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 409. (1) ~~A~~ THE DEPARTMENT SHALL NOT ISSUE A LICENSE
2 OR REGISTRATION TO A person who has completed the requirements
3 for a license or registration or who seeks to renew a license or
4 registration ~~shall not be issued a license or registration~~
5 until the person has paid the license or registration fee.

6 (2) License and registration fees shall be prescribed on a
7 per year basis. If licenses and registrations are established by
8 rules promulgated by the department under section 202 as biennial

1 OR TRIENNIAL renewals, the fee required shall be twice OR 3
2 TIMES, AS APPROPRIATE, the per year amount.

3 (3) Unless otherwise provided by this act or rules promul-
4 gated under this act, all requirements for licensure or registra-
5 tion shall be completed by the applicant within 1 year after
6 receipt of the application by the department or mailing of a
7 notice of an incomplete application to the last known address on
8 file with the department, whichever is later. If the require-
9 ments are not completed, the fees paid shall be forfeited to the
10 department and the application shall be void. A person whose
11 application has been determined to be void under this subsection
12 shall submit a new application and fees and shall meet the stan-
13 dards in effect on the date of receipt BY THE DEPARTMENT of the
14 new application.

15 Sec. 411. (1) Subject to subsection (2), a person who fails
16 to renew a license or registration on or before the expiration
17 date shall not practice the occupation, operate, or use the title
18 after the expiration date printed on the license or
19 registration. A license or registration shall lapse on the day
20 after the expiration date.

21 (2) A person who fails to renew a license or registration on
22 or before the expiration date shall be permitted to renew the
23 license or registration by payment of the required license or
24 registration fee and a late renewal fee within 60 days after the
25 expiration date.

26 (3) Except as otherwise provided in this act, a person who
27 fails to renew a license or registration within the time period

1 set forth in subsection (2) may be relicensed or reregistered
2 without examination and without meeting additional education or
3 training requirements in force at the time of application for
4 relicensure or reregistration if all of the following conditions
5 are met:

6 (a) The person applies within 3 years after the expiration
7 date of the last license or registration.

8 (b) The person pays an application processing fee, the late
9 renewal fee, and the per year license or registration fee for the
10 upcoming licensure or registration period.

11 (c) Penalties and conditions imposed by disciplinary action
12 in this state or any other jurisdiction have been satisfied.

13 (d) The person submits proof of having completed the equiva-
14 lent of 1 year of continuing education within the 12 months imme-
15 diately preceding the date of application OR AS OTHERWISE PRO-
16 VIDED IN A SPECIFIC ARTICLE, if continuing education is required
17 of licensees or registrants under a specific article.

18 (4) Except as otherwise provided in this act, a person may
19 be relicensed or reregistered subsequent to 3 or more years after
20 the expiration date of the last license or registration upon
21 showing that the person meets the requirements for licensure or
22 registration as established by the department in rules or proce-
23 dures which may require a person to pass all or part of a
24 required examination, to complete continuing education require-
25 ments, or to meet current education or training requirements.

26 (5) Unless otherwise provided in this act, a person who
27 seeks reinstatement of a license or registration shall file an

1 application on a form provided by the department, pay the
2 application processing fee, and file a petition to the department
3 and the appropriate board stating reasons for reinstatement and
4 including evidence that the person can and is likely to serve the
5 public in the regulated activity with competence and in con-
6 formance with all other requirements prescribed by law, rule, or
7 an order of the department or board. The procedure to be fol-
8 lowed in conducting the review of a petition for reinstatement is
9 prescribed in article 5. If approved for reinstatement, the
10 person shall pay the per year license or registration fee for the
11 upcoming license or registration period, in addition to complet-
12 ing any requirements imposed in accordance with section 203(2).

13 Sec. 2504. (1) Before receiving a real estate broker's
14 license, an applicant shall have successfully completed not less
15 than 90 clock hours of approved classroom courses in real estate,
16 of which not less than 9 clock hours shall be instruction on
17 civil rights law and equal opportunity in housing, and shall
18 submit an application as described in section 2505. The 90 hours
19 shall be in addition to the hours required to obtain a real
20 estate salesperson's license.

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

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

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

4 (b) Real property law, including property interests and
5 restrictions.

6 (c) Federal, state, and local tax laws affecting real
7 property.

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

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

11 (f) Appraisal of real property.

12 (g) Design and construction.

13 (h) Marketing, exchanging, and counseling.

14 (i) The law of agency.

15 (j) Sales and office management, including listing and sell-
16 ing techniques.

17 (k) Real estate securities and syndications.

18 (l) Investments, including property management.

19 (4) Before being permitted to renew an active real estate
20 broker's or real estate salesperson's license, a licensee shall
21 have successfully completed, within the preceding ~~12 months~~
22 3-YEAR LICENSE CYCLE, not less than ~~6~~ 18 clock hours of con-
23 tinuing education approved by the department INVOLVING ANY TOPICS
24 RELEVANT TO THE MANAGEMENT, OPERATION, AND PRACTICE OF REAL
25 ESTATE AND covering changes in economic conditions, law, rules,
26 court cases, and interpretations relating to real property which
27 are pertinent to the activities of a real estate broker or real

1 estate salesperson. Each licensee, in completing ~~6~~ 18 clock
2 hours, will have the option of selecting the education courses in
3 that licensee's area of expertise, as long as the education
4 courses are approved by the department.

5 (5) A license which has been inactive for less than 3 years
6 may be reinstated without examination if the licensee shows proof
7 of completion of not less than ~~6~~ 18 clock hours of continuing
8 education described in subsection (4). A broker's license which
9 has been inactive for 3 or more continuous years may be rein-
10 stated without examination if the licensee provides proof of the
11 completion of either 6 clock hours of continuing education
12 described in subsection (4) for each of the years the license was
13 inactive or 40 clock hours of instruction described in subsection
14 (3). A salesperson's license which has been inactive for 3 or
15 more continuous years may be reinstated if the licensee provides
16 proof of meeting 1 of the following requirements:

17 (a) Completion of 6 clock hours of continuing education
18 described in subsection (4) for each of the years the license was
19 inactive.

20 (b) Completion of 40 clock hours of instruction described in
21 subsection (3).

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

24 (6) The continuing education requirements provided in sub-
25 sections (4) and (5) shall not be applied towards the real estate
26 broker's license education requirements provided in
27 subsection (1), ~~nor shall~~ AND courses taken under real estate

1 broker's license education requirements SHALL NOT be applied
2 towards the continuing education requirements.

3 (7) The continuing education requirements provided in sub-
4 sections (4) and (5) do not apply to a real estate salesperson or
5 real estate broker renewing his or her license in the year in
6 which the original license was issued.

7 (8) A person who offers or conducts a course or courses of
8 study represented to meet the educational requirements of this
9 article, first shall obtain approval from the department and
10 shall abide by the rules of the department concerning curriculum,
11 instructor qualification, grading system, and other related
12 matters. IN ADDITION TO OTHER REQUIREMENTS IMPOSED UNDER RULE,
13 IN ORDER TO RECEIVE APPROVAL, A COURSE SHALL BE DESIGNED TO BE
14 TAUGHT FOR NOT LESS THAN 1 CLOCK HOUR, NOT INCLUDING TIME SPENT
15 ON BREAKS, MEALS, OR OTHER UNRELATED ACTIVITIES. The department
16 may suspend or revoke the approval of a person for a violation of
17 this article or of the rules promulgated under this article. A
18 person shall not represent that its students are assured of pass-
19 ing an examination required by the department. A person shall
20 not represent that the issuance of departmental approval is a
21 recommendation or indorsement of the person to which it is issued
22 or of a course of instruction given by it. A pre-licensure
23 course approved under this article shall be conducted by a local
24 public school district, a community college, an institution of
25 higher education authorized to grant degrees, or a private school
26 licensed by the department of education under ~~Act No. 148 of the~~

1 ~~Public Acts of 1943, being sections 395.101 to 395.103 of the~~
2 ~~Michigan Compiled Laws~~ 1943 PA 148, MCL 395.101 TO 395.103.

3 (9) A person who in operating a school violates subsection
4 (8) ~~shall be~~ IS subject to the penalties set forth in article
5 6.

6 (10) The department may conduct, hold, or assist in conduct-
7 ing or holding, a real estate clinic, meeting, course, or insti-
8 tute, which shall be open to a person licensed under this arti-
9 cle, and may incur the necessary expenses in connection with the
10 clinic, meeting, course, or institute. The department, in the
11 public interest, may assist educational institutions within this
12 state in sponsoring studies, research, and programs for the pur-
13 pose of raising the standards of professional practice in real
14 estate and the competence of a licensee.