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## BILL ANALYSIS

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House Bill 5106 (Substitute H-1 as passed by the House)  
Sponsor: Representative Randy Richardville  
House Committee: Regulatory Reform  
Senate Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 10-15-03

### **CONTENT**

**The bill would amend Article 25 of the Occupational Code, which provides for the licensure and regulation of real estate brokers and salespersons, to do the following:**

- Modify the requirement that education a licensee receives for further professional development be counted toward continuing education credits.**
- Provide for the apportionment of approved course credits to meet requirements for either licensure or continuing education.**
- Revise provisions for the reinstatement of inactive licenses without examination.**

Public Act 611 of 2002 amended Article 25 to change the licensing cycle from one to three years and to revise continuing education requirements for real estate brokers and salespersons, beginning November 1, 2003. Beginning on that date, a licensee must complete at least 18 hours of continuing education per three-year license cycle. A licensee must complete at least six of the required 18 hours between November 1, 2003, and December 31, 2004; at least six during calendar year 2005; and at least four during 2006. During 2007 and each subsequent year, a licensee must complete at least two of the required 18 hours per calendar year.

Currently, any education approved by the Department of Consumer and Industry Services (DCIS) that a licensee receives for further professional designation must be counted toward the total continuing education credits required for the three-year license cycle. The bill provides, instead, that any education successfully completed by a licensee for further professional designation, and approved by the DCIS as continuing education, could be counted toward the three-year license cycle continuing education requirement. The bill would define "professional designation" as a certification from a real estate professional association demonstrating attainment of proven skills or education in a real estate occupational area, and could include the right to use a title or letters after the licensee's name representing the designation bestowed by the certifying entity.

Under Article 25, continuing education requirements may not be applied toward a real estate broker's license education requirements, and courses taken under real estate broker's license education requirements may not be applied toward the continuing education requirements. The bill would require the Department, at a licensee's request, to apportion approved course credits eligible for license education requirements and continuing education requirements to meet either requirement.

Under Article 25, a license that has been inactive for less than three years may be reinstated without examination if the licensee shows proof of completion of the appropriate number of clock hours of continuing education as prescribed. The bill instead allow the DCIS to relicense

without examination a licensee whose license had lapsed for less than three years, if the licensee showed proof of completion of at least six hours of continuing education for each year the license was lapsed.

Currently, a broker's license that has been inactive for three or more continuous years may be reinstated without examination if the licensee provides proof of completion of six hours of continuing education for each year the license was inactive, or 40 hours of instruction required for licensure. The bill instead would allow the DCIS to relicense without examination a broker whose license had lapsed for three or more continuous years, if the licensee provided proof of the successful completion of one of the following: six hours of continuing education for each of the years the license was lapsed; 90 hours of instruction required for licensure; or passing the examination required for licensure as a broker.

The bill also would provide for the relicensure, rather than reinstatement, of a salesperson whose license has been inactive for three or more years.

In addition, the bill would allow a limited liability company to apply for a real estate broker's license.

MCL 339.2501 et al.

Legislative Analyst: George Towne

### **FISCAL IMPACT**

According to the Department, the additional responsibilities under this bill could require an additional staff person. The salary, fringe benefits, and overhead costs would be approximately \$60,000, which would be covered by fee revenue.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Maria Tyszkiewicz