

HOUSE BILL No. 5756

February 28, 2006, Introduced by Rep. Meyer and referred to the Committee on Regulatory Reform.

A bill to amend 1980 PA 299, entitled
"Occupational code,"
by amending section 2505 (MCL 339.2505), as amended by 2003 PA 196.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2505. (1) An applicant for a real estate broker's license
2 shall file an application setting forth the applicant's present
3 address, both of business and residence; the complete address of
4 each former place where the applicant has resided or been engaged
5 in business, or acted as a real estate salesperson, for a period of
6 60 days or more, during the 5 years immediately preceding the date
7 of application. An applicant for a real estate broker's license
8 shall state the name of the individual, sole proprietorship,
9 partnership, association, corporation, limited liability company,
10 common law trust, or a combination of those entities and the

1 location of the place for which the license is desired, and set
2 forth the period of time which the applicant has been engaged in
3 the business. The application shall be executed by the person, or
4 by an officer or member of the applicant. An applicant for a real
5 estate broker's license which is a partnership, association,
6 corporation, limited liability company, common law trust, or a
7 combination of those entities shall designate which individuals who
8 are officers or members of the partnership, association, limited
9 liability company, or corporation will be performing acts regulated
10 by this article as principals.

11 (2) The department shall not issue a real estate broker's
12 license to a new applicant who has been convicted of embezzlement
13 or misappropriation of funds.

14 (3) A real estate broker shall maintain a place of business in
15 this state. If a real estate broker maintains more than 1 place of
16 business within the state, a branch office license shall be secured
17 by the real estate broker for each branch office maintained. A
18 branch office maintained in excess of ~~25~~ 120 miles from the city
19 limits in which the broker maintains a main office shall be under
20 the personal, direct supervision of an associate broker.

21 (4) An applicant for a salesperson's license shall set forth
22 the period of time during which the individual has been engaged in
23 the business, stating the name of the applicant's last employer and
24 the name and the place of business of the individual, partnership,
25 association, limited liability company, corporation, common law
26 trust, or combination of those entities then employing the
27 applicant or in whose employ the applicant is to enter. The

1 application shall be signed by the real estate broker in whose
2 employ the applicant is to enter.

3 (5) Before issuing a license, the department may require and
4 procure satisfactory proof of the business experience, competence,
5 and good moral character of an applicant for a real estate broker's
6 or salesperson's license or of an officer or member of an
7 applicant. The department shall require an applicant for a broker's
8 or salesperson's license to pass an examination developed by the
9 department or contracted for with a recognized outside testing
10 agency establishing, in a manner satisfactory to the department,
11 that the applicant has a fair knowledge of the English language,
12 including reading, writing, spelling, and elementary arithmetic; a
13 satisfactory understanding of the fundamentals of real estate
14 practice and of the laws and principles of real estate
15 conveyancing, deeds, mortgages, land contracts, and leases; the
16 obligations of a broker to the public and a principal; and the law
17 defining, regulating, and licensing real estate brokers and
18 salespersons. The department may require written examination or
19 written reexamination of a broker or salesperson, and in that case
20 a passing score satisfactory to the department is required as a
21 condition precedent to relicensure of a broker or salesperson. The
22 department shall require proof that each applicant for a real
23 estate broker's license has the equivalent of 3 years of full-time
24 experience in the business of real estate or in a field that is
25 determined by the department to be relevant and related to the
26 business of real estate.