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SENATE BILL NO. 457

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology
on February 3, 2010)

(Patron Prior to Substitute—Senator McEachin)

A BILL to amend and reenact § 54.1-2105 of the Code of Virginia and to amend the Code of Virginia by adding in Article 1 of Chapter 21 of Title 54.1 a section numbered 54.1-2111.1, relating to the Virginia Real Estate Board; reciprocity; voluntary compliance program.

Be it enacted by the General Assembly of Virginia:

1. That § 54.1-2105 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Article 1 of Chapter 21 of Title 54.1 a section numbered 54.1-2111.1 as follows:

§ 54.1-2105. General powers of Real Estate Board; regulations; educational and experience requirements for licensure.

A. The Board may do all things necessary and convenient for carrying into effect the provisions of this chapter and may promulgate necessary regulations.

B. The Board shall adopt regulations establishing minimum educational requirements as conditions for licensure. Board regulations relating to initial licensure shall include the following requirements:

1. Every applicant for an initial license as a real estate salesperson shall have:

a. At a minimum, a high school diploma or its equivalent; and

b. Completed a course in the principles of real estate that carried an academic credit of at least four semester hours, but not less than 60 hours of classroom, correspondence, or other distance learning instruction, offered by an accredited university, college, community college, high school offering adult distributive education courses, or other school or educational institution offering an equivalent course.

2. Every applicant for an initial license as a real estate broker shall have:

a. At a minimum, a high school diploma or its equivalent; and

b. Completed not less than 12 semester hours of classroom or correspondence or other distance learning instruction in real estate courses offered by an accredited university, college, community college, or other school or educational institution offering equivalent courses.

3. Every applicant for a license by reciprocity as a real estate salesperson or real estate broker shall have:

a. Completed a course in the principles of real estate that is comparable in content and duration and scope to that required in subdivision B 1; and

b. If currently licensed by another state as a real estate salesperson or broker, passed Virginia's examination.

C. The Board may waive any requirement under the regulations relating to education or experience when the broker or salesperson is found to have education or experience equivalent to that required. No regulation imposing educational requirements for initial licensure beyond those specified by law shall apply to any person who was licensed prior to July 1, 1975, and who has been continuously licensed since that time, except that licensure as a salesperson prior to such time shall not exempt a salesperson who seeks to be licensed as a broker from the educational requirements established for brokers.

D. The Board shall establish criteria to ensure that prelicensure and broker licensure courses meet the standards of quality deemed by the Board to be necessary to protect the public interests. For correspondence and other distance learning instruction offered by an approved provider, such criteria may include appropriate testing procedures. The Board may establish procedures to ensure the quality of the courses.

Noncollegiate institutions shall not be authorized to grant collegiate semester hours for academic credit.

The specific content of the real estate courses shall be in real estate brokerage, real estate finance, real estate appraisal, real estate law, and such related subjects as are approved by the Board.

§ 54.1-2111.1. Voluntary compliance program; real estate brokers.

A. The Board shall promulgate regulations to allow the audit of the practices, policies, and procedures of a real estate broker licensed by the Board, either through a third party retained by the real estate broker or through a self-audit, and if the broker is determined by such audit to not be in compliance with the provisions of this chapter or applicable regulations of the Board, to allow for the broker to enter into a voluntary compliance program to bring the broker's practices, policies, and procedures into compliance with applicable laws and regulations. The broker shall notify the Board of the discovery of any noncompliance within 30 days after discovery and shall submit a written statement with a plan to bring the practices, policies, and procedures into voluntary compliance, which completion

60 *of such voluntary compliance shall not exceed a period of 90 days from the date that the plan is*
61 *submitted to the Board.*

62 *B. Certification by the broker or auditor of such broker shall constitute immunity from an*
63 *enforcement action under this chapter or under the applicable regulations of the Board.*

64 *C. The provisions of this section do not apply if the noncompliance by the broker was intentional or*
65 *a result of gross negligence of the broker.*