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SENATE BILL NO. 487

Offered January 22, 1996

A BILL to amend and reenact §§ 54.1-2100 and 54.1-2101 of the Code of Virginia; to amend the Code of Virginia by adding in Chapter 20.1 of Title 54.1 a section numbered 54.1-2106.1, and to repeal § 54.1-2106 of the Code of Virginia, relating to the regulation of real estate brokers and salespersons.

Patrons—Stosch, Barry, Holland, Howell, Lucas, Norment and Trumbo; Delegates: Cooper, Dillard, Drake, Fisher, Ingram, McClure, Moran, O'Brien, Plum, Purkey, Scott and Wagner

Referred to the Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 54.1-2100 and 54.1-2101 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 54.1-2106.1 as follows:

§ 54.1-2100. Real estate broker defined.

For the purposes of this chapter, a "real estate broker" ~~is means~~ any person, or business entity, including, but not limited to, a partnership, association or corporation, who, for compensation or valuable consideration (i) sells or offers for sale, buys or offers to buy, or negotiates the purchase or sale or exchange of real estate, including units or interest in condominiums, cooperative interest as defined in § 55-426, or time-shares in a time-share program even though they may be deemed to be securities, or (ii) leases or offers to lease, or rents or offers for rent, any real estate or the improvements thereon for others.

§ 54.1-2101. Real estate salesperson defined.

For the purposes of this chapter, a "real estate salesperson" ~~is means~~ any person, or business entity of not more than two persons unless related by blood or marriage, who for compensation or valuable consideration is employed either directly or indirectly by, or affiliated as an independent contractor with, a real estate broker, to sell or offer to sell, or to buy or offer to buy, or to negotiate the purchase, sale or exchange of real estate, or to lease, rent or offer for rent any real estate, or to negotiate leases thereof, or of the improvements thereon.

§ 54.1-2106.1 Licenses required.

A. No real estate broker shall act as a broker without a license from the Board. No business entity, including but not limited to a partnership, association or corporation, shall be granted a broker's license unless (i) every owner or officer, who actively participates in the real estate business, holds a license as a broker and (ii) every employee and independent contractor who acts as a salesperson for such business entity holds a license as a real estate salesperson. A person who holds a license as a broker may act as a salesperson for another broker.

B. No real estate salesperson shall act as a salesperson without a license from the Board. No business entity shall be granted a salesperson's license unless every owner or officer, who actively participates in the real estate business, holds a license as a salesperson. No business entity shall be granted a license in a fictitious name. However, the Board shall establish guidelines for the names of such business entities when more than one licensee is an owner or officer.

2. That § 54.1-2106 of the Code of Virginia is repealed.

INTRODUCED

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