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HOUSE BILL NO. 2295

House Amendments in [] - February 9, 2015

A *BILL to amend and reenact §§ 54.1-2105.01 and 54.1-2105.03 of the Code of Virginia, relating to the Real Estate Board; educational requirements for salespersons.*

Patron Prior to Engrossment—Delegate Stolle

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 54.1-2105.01 and 54.1-2105.03 of the Code of Virginia are amended and reenacted as follows:

§ 54.1-2105.01. Educational requirements for all salespersons within one year of licensure.

A. The Board shall establish guidelines for an educational curriculum of at least 30 hours of classroom, or correspondence or other distance learning, instruction, in specified areas, which shall be required of all salespersons within one year of issuance of a license by the Board. Failure of a new licensee to complete the 30-hour curriculum within one year of obtaining a real estate salesperson's license shall result in the license being placed on inactive status by the Board until the curriculum has been completed.

B. To establish the guidelines required by this section, the Board shall establish an industry advisory group composed of representatives of the practices of (i) residential real estate, (ii) commercial real estate, and (iii) property management. The industry advisory group shall consist of licensed real estate salespersons and real estate brokers who shall be appointed by and shall meet at the direction of the Board, at least annually, to update the guidelines. The Board shall review and may approve educational curricula developed by an approved school or other provider of real estate education authorized by this chapter. The industry advisory group shall serve at no cost to the Board.

C. The curricula for new licensees shall include topics that new licensees need to know in their practices, including contract writing, handling customer deposits, listing property, leasing property, agency, current industry issues and trends, *flood hazard areas and the National Flood Insurance Program*, property owners' and condominium association law, landlord-tenant law, Board regulations, and such other topics as designated by the Board. The continuing education requirements of this section for new licensees shall be in lieu of the continuing education requirements otherwise specified in this chapter and Board regulations.

§ 54.1-2105.03. Continuing education; relicensure of brokers and salespersons.

A. Board regulations shall include educational requirements as a condition for relicensure of brokers and salespersons to whom active licenses have been issued by the Board beyond those now specified by law as conditions for licensure.

1. Brokers to whom active licenses have been issued by the Board shall be required to satisfactorily complete courses of not less than 24 hours of classroom or correspondence or other distance learning instruction during each licensing term. Of the total 24 hours, the curriculum shall consist of:

a. A minimum of eight required hours to include at least three hours of ethics and standards of conduct, two hours of fair housing, and the remaining three hours of legal updates and emerging trends, real estate agency, and real estate contracts;

b. A minimum of eight hours of courses relating to supervision and management of real estate agents and the management of real estate brokerage firms as are approved by the Board; and

c. Eight hours of general elective courses as are approved by the Board.

The Board may, on a year-by-year basis, adjust the required hours and course topics specified in this subdivision for the next succeeding year, applicable to a licensee in the next renewal period for his license, including the addition of topics deemed by the Board to be essential. Such designation or adjustment by the Board shall be made prior to September 1 of any given calendar year. The action of the Board in making such adjustment shall be subject to § 2.2-4012.1.

The fair housing requirements shall include an update on current cases and administrative decisions under fair housing laws. If the licensee submits a notarized affidavit to the Board that certifies that he does not practice residential real estate and shall not do so during the licensing term, training in fair housing shall not be required; instead, such licensee shall receive training in other applicable federal and state discrimination laws and regulations.

2. Salespersons to whom active licenses have been issued by the Board shall be required to satisfactorily complete courses of not less than 16 hours of classroom or correspondence or other distance learning instruction during each licensing term. Of the total 16 hours, the curriculum shall

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59 consist of:

60 a. A minimum of eight required hours to include at least three hours of ethics and standards of
61 conduct, two hours of fair housing, [~~one hour of flood hazard areas and the National Flood Insurance~~
62 ~~Program,~~] and the remaining [three ~~two~~] hours of legal updates and emerging trends, real estate
63 agency, [~~and~~] real estate contracts [, ~~and flood hazard areas and the National Flood Insurance~~
64 ~~Program~~] ; and

65 b. Eight hours of general elective courses as are approved by the Board.

66 The Board may, on a year-by-year basis, readjust the required hours and course topics specified in
67 this subdivision for the next succeeding year, applicable to a licensee in the next renewal period for his
68 license, including the addition of topics deemed by the Board to be essential. Such designation or
69 adjustment by the Board shall be made prior to September 1 of any given calendar year. The action of
70 the Board in making such adjustment shall be subject to § 2.2-4012.1.

71 3. The Board shall approve a continuing education curriculum of not less than three hours, and as of
72 July 1, 2012, every applicant for relicensure as an active broker or salesperson shall complete at a
73 minimum one three-hour continuing education course on the changes to residential standard agency
74 effective as of July 1, 2011, to Article 3 (§ 54.1-2130 et seq.) prior to renewal or reinstatement of his
75 license. If the licensee submits a notarized affidavit to the Board that certifies that he does not practice
76 residential real estate and shall not do so during the licensing term, training in residential representation
77 shall not be required. A licensee who takes one three-hour continuing education class on residential
78 representation shall satisfy the requirements for continuing education and may, but shall not be required
79 to, take any further continuing education on residential standard agency.

80 The fair housing requirements shall include an update on current cases and administrative decisions
81 under fair housing laws. If the licensee submits a notarized affidavit to the Board that certifies that he
82 does not practice residential real estate and shall not do so during the licensing term, training in fair
83 housing shall not be required; instead, such licensee shall receive training in other applicable federal and
84 state discrimination laws and regulations.

85 4. For correspondence and other distance learning instruction offered by an approved provider, the
86 Board shall establish the appropriate testing procedures to verify completion of the course and require
87 the licensee to file a notarized affidavit certifying compliance with the course requirements. The Board
88 may establish procedures to ensure the quality of the courses. The Board shall not require testing for
89 continuing education courses completed through classroom instruction.

90 B. Every applicant for relicensure as an active salesperson or broker shall complete the continuing
91 education requirements prior to each renewal or reinstatement of his license. The continuing education
92 requirement shall also apply to inactive licensees who make application for an active license.
93 Notwithstanding this requirement, military personnel called to active duty in the armed forces of the
94 United States may complete the required continuing education within six months of their release from
95 active duty.

96 C. The Board shall establish procedures for the carryover of continuing education credits completed
97 by licensees from the licensee's current license period to the licensee's next renewal period.