

Senate Study Bill 3052

Bill Text

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1 1 Section 1. Section [543B.15](#), subsection 8, Code 2001, is
1 2 amended to read as follows:
1 3 8. To qualify for a license as a real estate broker, a
1 4 person shall complete at least sixty contact hours of
1 5 commission approved real estate education within twenty-four
1 6 months prior to taking the broker examination. This education
1 7 shall be in addition to the required salesperson prelicense
1 8 course. The applicant shall have been a licensed real estate
1 9 salesperson actively engaged in real estate for a period of at
1 10 least twenty-four months preceding the date of application, or
1 11 shall have had experience substantially equal to that which a
1 12 licensed real estate salesperson would ordinarily receive
1 13 during a period of twenty-four months, whether as a former
1 14 broker or salesperson, a manager of real estate, or otherwise.
1 15

~~1 16 However, if the commission finds that an applicant could not~~

~~1 17~~

~~1 18 acquire employment as a licensed real estate salesperson~~

~~1 19~~

~~1 20 because of conditions existing in the area where the person~~

~~1 21~~

~~1 22 resides, the experience requirement of this subsection may be~~

~~1 23~~

~~1 24 waived for that person by the commission.~~

1 25 Sec. 2. Section [543B.47](#), subsections 1, 2, and 6, Code
1 26 2001, are amended to read as follows:

1 27 1. The real estate commission shall adopt rules requiring
1 28 as a condition of licensure that all real estate licensees,
1 29 except those who hold inactive licenses, carry errors and
1 30 omissions insurance covering all activities contemplated under
1 31 this chapter. The rules shall provide for administration of
1 32 the insurance requirements of this section within the
1 33 multiyear licensing structure required by section 543B.28.
1 34 However, the rules shall require licensees to submit evidence
1 35 of compliance with this section

~~1 36 at least annually and shall~~

~~1 37~~

~~1 38 provide for review and determination of compliance on an~~

~~1 39~~

~~1 40 annual basis~~

~~1 41 within twenty calendar days of the commission's~~

1 33 request, which may be made on a test basis, a random basis, or
1 34 upon reasonable cause to question a licensee's compliance.

1 35 2. The commission shall contract with an insurance
2 1 provider for a group policy under which coverage is available
2 2 to all licensees, and shall maintain coverage with the
2 3 contracted provider unless the commission determines that
2 4 continuing the contract is not reasonably practical. The
2 5 contract shall be solicited by competitive, sealed bid.
2 6 6.

~~Each licensee shall be notified of the required terms~~

~~2 7~~

~~and conditions of coverage for the annual policy at least~~

~~2 8~~

~~thirty days prior to the license renewal date or the~~

~~2 9~~

~~anniversary of the license renewal date. A certificate of~~

~~2 10~~

~~coverage, showing compliance with the required terms and~~

~~2 11~~

~~conditions of coverage, must be filed with the commission by~~

~~2 12~~

~~the license renewal date or the anniversary of the license~~

~~2 13~~

~~renewal date by each licensee who elects not to participate in~~

~~2 14~~

~~the group insurance program administered by the commission.~~

2 15 Failure of a license applicant or licensee to carry the errors
2 16 and omissions insurance required by this section, or to timely
2 17 submit proof of coverage upon commission request, shall be
2 18 grounds for the denial of an application for licensure, the
2 19 denial of an application to renew a license, or the suspension
2 20 or revocation of a license.

2 21 Sec. 3. NEW SECTION. 543B.48 CIVIL PENALTY AMOUNT.

2 22 Notwithstanding section 272C.3, licensee discipline may
2 23 include a civil penalty not to exceed two thousand five
2 24 hundred dollars per violation.

2 25 EXPLANATION

2 26 This bill provides for changes relating to specified real
2 27 estate broker licensure qualifications and insurance coverage
2 28 requirements.

2 29 The bill deletes a provision which allows the real estate
2 30 commission to waive an experience requirement as a
2 31 precondition of licensure as a real estate broker if a
2 32 prospective licensee could not acquire employment as a
2 33 licensed real estate salesperson because of conditions
2 34 existing in the area where the person resides.

2 35 The bill also deletes a requirement of annual notification
3 1 to the real estate commission by a licensee of continued
3 2 errors and omissions insurance coverage. The bill replaces

3 3 this requirement with a requirement that licensees submit
3 4 evidence of compliance with the coverage requirement within 20
3 5 calendar days of the commission's request, which may be made
3 6 on a test basis, a random basis, or upon reasonable cause to
3 7 question a licensee's compliance. The bill provides that
3 8 failure of a license applicant or licensee to carry the
3 9 required coverage or to timely submit proof of coverage upon
3 10 commission request shall be grounds for the denial of an
3 11 application for licensure, the denial of an application to
3 12 renew a license, or the suspension or revocation of a license.
3 13 The bill modifies a requirement that the commission
3 14 contract with an insurance provider for a group errors and
3 15 omissions policy under which coverage is available to all
3 16 licensees. The new requirement provides that the coverage
3 17 shall be maintained unless the commission determines that
3 18 continuing the contract is not reasonably practical.
3 19 The bill provides that, notwithstanding Code section
3 20 272C.3, licensee discipline may include a civil penalty not to
3 21 exceed \$2,500 per violation.
3 22 LSB 5054DP 79
3 23 rn/sh/8