

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 590

Short Title: Modify Continuing Ed for Real Estate Brokers. (Public)

Sponsors: Senator Gunn (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 4, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY CONTINUING EDUCATION REQUIREMENTS FOR REAL
3 ESTATE BROKERS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 93A-4 reads as rewritten:

6 "**§ 93A-4. Applications for licenses; fees; qualifications; examinations; privilege licenses;**
7 **renewal or reinstatement of license; power to enforce provisions.**

8 (a) Any person, partnership, corporation, limited liability company, association, or other
9 business entity hereafter desiring to enter into business of and obtain a license as a real estate
10 broker shall make written application for such license to the Commission in the form and manner
11 prescribed by the Commission. Each applicant for a license as a real estate broker shall be at least
12 18 years of age. Each applicant for a license as a real estate broker shall, within three years
13 preceding the date the application is made, have satisfactorily completed, ~~at a school~~
14 ~~approved~~ through a real estate education provider certified by the Commission, an education
15 program consisting of at least 75 hours of instruction in subjects determined by the Commission,
16 or shall possess real estate education or experience in real estate transactions which the
17 Commission shall find equivalent to the education program. Each applicant for a license as a real
18 estate broker shall be required to pay a fee. The application fee shall be one hundred dollars
19 (\$100.00) unless the Commission sets the fee at a higher amount by rule; however, the
20 Commission shall not set a fee that exceeds one hundred twenty dollars (\$120.00). The
21 application fee shall not increase by more than five dollars (\$5.00) during a 12-month period.

22 (a1) Each person who is issued a real estate broker license on or after April 1, 2006, shall
23 initially be classified as a provisional broker and shall, within ~~three years~~ 18 months following
24 initial licensure, satisfactorily complete, ~~at a school approved~~ through a real estate education
25 provider certified by the Commission, a postlicensing education program consisting of 90 hours
26 of instruction in subjects determined by the Commission or shall possess real estate education or
27 experience in real estate transactions which the Commission shall find equivalent to the education
28 program. The Commission may, by rule, establish a schedule for completion of the prescribed
29 postlicensing education that requires provisional brokers to complete portions of the 90-hour
30 postlicensing education program in less than ~~three years~~ 18 months, and provisional brokers must
31 comply with this schedule in order to be entitled to actively engage in real estate brokerage. Upon
32 completion of the postlicensing education program, the provisional status of the broker's license
33 shall be terminated. When a provisional broker fails to complete all 90 hours of required
34 postlicensing education within ~~three years~~ 18 months following initial licensure, the broker's
35 license shall be placed on inactive status. The broker's license shall not be returned to active
36 status until he or she has satisfied such requirements as the Commission may by rule require.



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1 Every license cancelled after April 1, 2009, because the licensee failed to complete postlicensing
2 education shall be reinstated on inactive status until such time as the licensee satisfies the
3 requirements for returning to active status as the Commission may by rule require.

4 (a2) ~~An approved school~~A certified real estate education provider shall pay a fee of ten
5 dollars (\$10.00) per licensee to the Commission for each licensee completing a postlicensing
6 education course conducted by the school, provided that these fees shall not be charged to a
7 community college, junior college, college, or university located in this State and accredited by
8 the Southern Association of Colleges and Schools.

9 ...

10 (d) The Commission is expressly vested with the power and authority to make and
11 enforce any and all reasonable rules and regulations connected with license application,
12 examination, renewal, and reinstatement as shall be deemed necessary to administer and enforce
13 the provisions of this Chapter. The Commission is further authorized to adopt reasonable rules
14 and regulations necessary for the ~~approval~~certification of real estate ~~schools,~~education providers,
15 instructors, and textbooks and rules that prescribe specific requirements pertaining to instruction,
16 administration, and content of required education courses and programs.

17"

18 **SECTION 2.** G.S. 93A-4.1 is repealed.

19 **SECTION 3.** Article 3 of Chapter 93A of the General Statutes reads as rewritten:

20 "Article 3.

21 "Private Real Estate Schools, Education Providers and Continuing Education Requirements.

22 **"§ 93A-32. Definitions.**

23 As used in this Article:

24 (1) "Commission" means the North Carolina Real Estate Commission.

25 (2) "Private real estate ~~school~~education provider" or "education provider" means
26 any individual or real estate educational entity which is privately ~~owned and~~
27 ~~operated by an individual, partnership, corporation, limited liability company,~~
28 ~~or association, and which conducts, owned and conducting,~~ for a profit or
29 tuition charge, real estate broker ~~prelicensing or postlicensing~~prelicensing,
30 postlicensing, or continuing education courses prescribed by G.S. 93A-4(a) or
31 ~~(a1), (a1) or G.S. 93A-4.1,~~ provided that a proprietary business or trade school
32 licensed by the State Board of Community Colleges under G.S. 115D-90 to
33 conduct courses other than those real estate courses described herein shall not
34 be considered to be a private real estate ~~school~~education provider.

35 **"§ 93A-33. Commission to administer ~~Article; authority of Commission to conduct~~**
36 **~~investigations, issue licenses, and promulgate regulations.~~Article.**

37 The Commission shall have authority to administer and enforce this Article and to ~~issue~~
38 ~~licenses to certify~~ private real estate ~~schools~~education providers as defined herein which have
39 complied with the requirements of this Article and regulations promulgated by the Commission.
40 Through ~~licensing~~certification applications, periodic reports required of ~~licensed~~
41 ~~schools, education providers, periodic investigations and inspections of schools, investigations,~~
42 and appropriate regulations, the Commission shall exercise general supervisory authority over
43 private real estate ~~schools, education providers,~~ the object of such supervision being to protect
44 the public interest and to assure the conduct of quality real estate education programs. To this
45 end the Commission is authorized and directed to promulgate such regulations as it deems
46 necessary which are not inconsistent with the provisions of this Article and which relate to the
47 subject areas set out in G.S. 93A-34(c).

48 **"§ 93A-34. LicenseCertification required; application for license; certification; fees;**
49 **requirements for issuance of license, certification.**

50 (a) No person, partnership, ~~corporation or association~~corporation, association,
51 individual, or other entity shall operate ~~or maintain~~ or offer to operate in this ~~State~~State, whether

1 live or in any online format, as a private real estate school-education provider as defined herein
2 unless a licensecertification is first obtained from the Commission in accordance with the
3 provisions of this Article and the rules and regulations promulgated by the Commission under
4 this Article. For licensing-certification purposes, each branch location where a school-an
5 education provider conducts courses shall be considered a separate school-location requiring a
6 separate license-certification.

7 (b) Application for a licensecertification shall be filed in the manner and upon the forms
8 prescribed by the Commission for that purpose. The Commission may by rule set nonrefundable
9 application fees not to exceed two hundred fifty dollars (\$250.00) for each school
10 locationeducation provider and fifty dollars (\$50.00) for each real estate broker prelicensing or
11 postlicensing course. The application for a licensecertification shall be accompanied by the
12 appropriate fees and shall contain the following: fees.

- 13 (1) Name and address of the applicant and the school;
- 14 (2) Names, biographical data, and qualifications of director, administrators and
15 instructors;
- 16 (3) Description of school facilities and equipment;
- 17 (4) Description of course(s) to be offered and instructional materials to be
18 utilized;
- 19 (5) Information on financial resources available to equip and operate the school;
- 20 (6) Information on school policies and procedures regarding administration,
21 record keeping, entrance requirements, registration, tuition and fees, grades,
22 student progress, attendance, and student conduct;
- 23 (7) Copies of bulletins, catalogues and other official publications;
- 24 (8) Copy of bond required by G.S. 93A-36;
- 25 (9) Such additional information as the Commission may deem necessary to enable
26 it to determine the adequacy of the instructional program and the ability of the
27 applicant to operate a school in such a manner as would best serve the public
28 interest.

29 (b1) Applications for education providers utilizing methods other than only distance
30 education shall contain all of the following:

- 31 (1) Name and address of the applicant.
- 32 (2) Names, biographical data, and qualifications of director, administrators, and
33 instructors.
- 34 (3) Description of education provider school facilities and equipment, if any.
- 35 (4) Description of course or courses to be offered and instructional materials to
36 be utilized.
- 37 (5) Information on policies and procedures regarding administration, record
38 keeping, entrance requirements, registration, tuition and fees, grades, student
39 progress, attendance, and student conduct.
- 40 (6) Copies of bulletins, catalogues, and other official publications.
- 41 (7) Copy of bond required by G.S. 93A-36.
- 42 (8) Any additional information as the Commission may deem necessary to enable
43 it to determine the adequacy of the instructional program and the ability of the
44 applicant to operate in such a manner as would best serve the public interest.

45 (c) After due investigation and consideration by the Commission, a license-certification
46 shall be issued to the applicant when it is shown to the satisfaction of the Commission that the
47 applicant and school are in compliance with the following standards, as well as the requirements
48 of any supplemental regulations of the Commission regarding these standards:

- 49 ...
- 50 (4) The school-education provider has adopted adequate policies and procedures
51 regarding administration, instruction, record keeping, entrance requirements,

1 registration, tuition and fees, grades, student progress, attendance, and student
2 conduct.

3 (5) The ~~school~~education provider publishes and provides to all students upon
4 enrollment a bulletin, catalogue or similar official publication which is
5 certified as being true and correct in content and policy by an authorized
6 school official, and which contains all of the following information:

7 a. Identifying data and publication~~date; date.~~

8 b. Name(s)~~Name or names of school~~education provider or providers and
9 its full-time officials and ~~faculty;~~faculty.

10 c. School's~~Education provider's~~ policies and procedures relating to
11 entrance requirements, registration, grades, student progress,
12 attendance, student conduct and refund of tuition and ~~fees;~~fees.

13 d. Detailed schedule of tuition and ~~fees;~~fees.

14 e. Detailed course outline of all courses offered.

15 ...

16 (9) The ~~school's~~education provider's owner(s), director, administrators and
17 instructors are of good reputation and character.

18 (10) The ~~school's~~education provider's facilities and equipment comply with all
19 applicable local, State and federal laws and regulations regarding health,
20 safety, and welfare, including the Americans with Disabilities Act and other
21 laws relating to accessibility standards for places of public accommodation.

22 (11) The ~~school~~education provider does not utilize advertising of any type which
23 is false or misleading, either by actual statement, omission or intimation.

24 (12) Such additional standards as may be deemed necessary by the Commission to
25 assure the conduct of adequate instructional programs and the operation of
26 ~~schools~~education providers in a manner which will best serve the public
27 interest.

28 **"§ 93A-35. Duration and renewal of ~~licenses;~~ certifications; transfer of school ownership.**

29 (a) All ~~licenses~~certifications issued shall expire on June 30 following the date of
30 issuance.

31 (b) ~~Licenses~~Certifications shall be renewable annually on July 1, provided that a renewal
32 application accompanied by the appropriate renewal fees has been filed not later than June 1 in
33 the form and manner prescribed by the Commission, and provided further that the applicant and
34 ~~school~~education provider are found to be in compliance with the standards established for
35 issuance of an original ~~license~~certification. The Commission may by rule set nonrefundable
36 renewal fees not to exceed one hundred twenty-five dollars (\$125.00) for each ~~school~~education
37 provider location and twenty-five dollars (\$25.00) for each real estate broker prelicensing and
38 postlicensing course.

39 (c) In the event ~~a school~~an education provider entity is sold or ownership is otherwise
40 transferred, the ~~license~~certification issued to the original owner is not transferable to the new
41 owner. ~~Such~~The new owner must ~~make application~~apply for an original ~~license~~certification as
42 prescribed by this Article and Commission regulations.

43 **"§ 93A-36. Execution of bond required; applicability to branch schools; actions upon bond.**

44 (a) Before the Commission shall issue a ~~license~~certification the applicant shall execute a
45 bond in the sum of five thousand dollars (\$5,000), payable to the State of North Carolina, signed
46 by a solvent guaranty company authorized to do business in the State of North Carolina, and
47 conditioned that the principal in said bond will carry out and comply with each and every contract
48 or agreement, written or verbal, made and entered into by the applicant's ~~school~~education
49 provider acting by and through its officers and agents with any student who desires ~~to enter such~~
50 ~~school~~and to take any courses offered ~~therein~~by the education provider and that said principal
51 will refund to such students all amounts collected in tuition and fees in case of failure on the part

1 of the party obtaining a license certification from the Commission to ~~open and operate as~~ a private
2 real estate ~~school-education provider~~ or to provide the instruction agreed to or contracted for.
3 Such bond shall be required for each school-education provider for which a license certification
4 is required and shall be first approved by the Commission and then filed with the clerk of superior
5 court of the county in which the school is located, to be recorded by such clerk in a book provided
6 for that purpose. A separate bond shall not be required for each branch location of a ~~licensed~~
7 ~~school-an education provider.~~

8 (b) In any and all cases where the party licensed by the Commission fails to fulfill its
9 obligations under any contract or agreement, written or verbal, made and entered into with any
10 student, then the State of North Carolina, upon the relation of the student(s) entering into said
11 contract or agreement, shall have a cause of action against the principal and surety on the bond
12 herein required for the full amount of payments made to such party, plus court costs and six
13 percent (6%) interest from the date of payment of said amount. Such suits shall be brought in
14 Wake County Superior Court within one year of the alleged default.

15 **"§ 93A-37. Contracts with unlicensed schools and evidences of indebtedness made null and**
16 **void.**

17 ~~All contracts or agreements entered into on or after October 1, 1980, by private real estate~~
18 ~~schools, as defined in this Article, with students or prospective students, and all promissory notes~~
19 ~~or other evidence of indebtedness taken on or after October 1, 1980, in lieu of cash payments by~~
20 ~~such schools, shall be null and void unless such schools are duly licensed as required by this~~
21 ~~Article on the date of such contract or agreement or taking of any promissory note or other~~
22 ~~evidence of indebtedness.~~

23 **"§ 93A-38. Suspension, revocation or denial of license certification.**

24 The Commission shall have the power to suspend, revoke, deny issuance, or deny renewal of
25 ~~license to operate certification of a private real estate school-education provider.~~ In all
26 proceedings to suspend, revoke or deny a license certification, the provisions of Chapter 150B
27 of the General Statutes shall be applicable. The Commission may suspend, revoke, or deny such
28 license certification or renewal thereof when it ~~finds~~ finds that the applicant or principal thereof
29 for or holder of such certification has done any of the following:

- 30 (1) ~~That the applicant for or holder of such license has refused~~ Refused or failed
31 to comply with any of the provisions of this Article or the rules or regulations
32 promulgated ~~thereunder;~~ thereunder.
- 33 (2) ~~That the applicant for or holder of such license has knowingly~~ Knowingly
34 presented to the Commission false or misleading information relating to
35 matters within the purview of the Commission under this ~~Article;~~ Article.
- 36 (3) ~~That the applicant for or holder of such license has presented~~ Presented to its
37 students or prospective students false or misleading information relating to its
38 instructional program, to the instructional programs of other institutions or to
39 employment ~~opportunities;~~ opportunities.
- 40 (4) ~~That the applicant for or holder of such license has failed~~ Failed to comply
41 with the provisions of any contract or agreement entered into with a
42 ~~student;~~ student.
- 43 (5) ~~That the applicant for or holder of such license has at~~ At any time refused to
44 permit authorized representatives of the Commission to inspect the school, or
45 failed to make available to them upon request full information relating to
46 matters within the purview of the Commission under the provisions of this
47 Article or the rules or regulations promulgated ~~thereunder;~~ or thereunder.
- 48 (6) ~~That the applicant for or holder of such license or any officer of a corporate~~
49 ~~licensee or corporation applying for a license, any partner of a partnership~~
50 ~~licensee or partnership applying for a license, or any member of a limited~~
51 ~~liability company licensee or limited liability company applying for a license~~

1 ~~has pleaded~~Pleaded guilty, entered a plea of nolo contendere or been found
2 guilty of a crime involving moral turpitude in any state or federal court.

3 **"§ 93A-38.5. Continuing education.**

4 (a) The Commission shall establish a program of continuing education for real estate
5 brokers. An individual licensed as a real estate broker is required to complete eight classroom
6 hours of instruction a year during any license renewal period in subjects the Commission deems
7 appropriate. Any licensee who fails to complete continuing education requirements pursuant to
8 this section shall not actively engage in the business of real estate broker.

9 (a1) The Commission may, as part of the broker continuing education requirements,
10 require real estate brokers-in-charge to complete during each annual license period a special
11 continuing education course consisting of not more than four classroom hours of instruction in
12 subjects prescribed by the Commission.

13 (b) The Commission shall establish procedures allowing for a deferral of continuing
14 education for brokers while they are not actively engaged in real estate brokerage.

15 (c) The Commission may adopt rules not inconsistent with this Chapter to implement the
16 continuing education requirement, including rules that govern:

17 (1) The content and subject matter of continuing education courses.

18 (2) The curriculum of courses required.

19 (3) The criteria, standards, and procedures for the approval of courses, real estate
20 education providers, and course instructors.

21 (4) The methods of instruction.

22 (5) The computation of course credit.

23 (6) The ability to carry forward course credit from one year to another.

24 (7) The deferral of continuing education for brokers not engaged in brokerage.

25 (8) The waiver of or variance from the continuing education requirement for
26 hardship or other reasons.

27 (9) The procedures for compliance and sanctions for noncompliance.

28 (d) The Commission may establish a nonrefundable course application fee to be charged
29 to private real estate education providers for the review and approval of a proposed continuing
30 education course. The fee shall not exceed one hundred twenty-five dollars (\$125.00) per course.
31 The Commission may charge the private real estate education providers of an approved course a
32 nonrefundable fee not to exceed seventy-five dollars (\$75.00) for the annual renewal of course
33 approval.

34 A private real estate education provider shall pay a fee of ten dollars (\$10.00) per licensee to
35 the Commission for each licensee completing an approved continuing education course
36 conducted by the sponsor.

37 The Commission shall not charge a course application fee, a course renewal fee, or any other
38 fee for a continuing education course sponsored by a community college, junior college, college,
39 or university located in this State and accredited by the Southern Association of Colleges and
40 Schools.

41 (e) The Commission may award continuing education credit for an unapproved course or
42 related educational activity. The Commission may prescribe procedures for a licensee to submit
43 information on an unapproved course or related educational activity for continuing education
44 credit. The Commission may charge a fee to the licensee for each course or activity submitted.
45 The fee shall not exceed fifty dollars (\$50.00)."

46 **SECTION 4.** This act becomes effective July 1, 2020.