

2016 Regular Session

SENATE BILL NO. 259

BY SENATOR WHITE

REAL ESTATE. Provides relative to the Louisiana Real Estate License Law. (8/1/16)

1 AN ACT

2 To amend and reenact R.S. 37:1433, 1435(C)(1) and (2), (D)-(F) and (H), 1436, 1437,
3 1437.1, 1437.2, 1437.3, 1438, 1439, 1441, 1443(1)(f), (3)(g) and (4), 1446, 1449,
4 1451, 1465, 1466(F); and to repeal R.S. 37:1435(C)(3) and 1443(3)(g), relative to
5 the licensing of real estate brokers, timeshare interest salespersons, real estate
6 schools and vendors, and real estate instructors; to provide for commission power to
7 grant certain licenses, registrations, and certifications; to provide prohibitions for
8 individual licenses, registrations, and certificates; to provide for the activities of
9 partnerships, limited liability companies, associations, corporations, and other legal
10 entities with regard to the transactions of real estate; to prohibit certain real estate
11 activities without the proper license, registration, or certification; to provide for
12 active and inactive licenses; to provide with regard to timeshare interest
13 salespersons; to provide regarding the dissolution of any legal entity engaged in the
14 activities of real estate; to provide specific guidelines for unlicensed entities not
15 bound by the real estate licensing law; to provide relative to timeshare salespersons
16 registrants and timeshare developers; to provide for a fee schedule, including active
17 and inactive licenses; to provide certain terms, conditions and procedures; and to

1 provide for responsibilities of the commission in the instance of the death of a
2 sponsoring broker; and to provide for related matters.

3 Be it enacted by the Legislature of Louisiana:

4 Section 1. R.S. 37:1433, 1435(C)(1) and (2), (D)-(F) and (H), 1436, 1437, 1437.1,
5 1437.2, 1437.3, 1438, 1439, 1441, 1443(1)(f), (3)(g) and (4), 1446, 1449, 1451, 1465, and
6 1466(F) are hereby amended and reenacted to read as follows:

7 §1433. Officers; quorum; meetings; **compensation**

8 A. The commission shall elect from its members a chairman and a secretary
9 and shall select a vice-chairman to serve in the absence of the chairman.

10 B.(1) ~~Five~~ **Six** members of the commission shall constitute a quorum for all
11 business. The commission shall meet quarterly or more often if necessary.

12 (2) ~~Said~~ **The** commission shall be limited to two regularly scheduled
13 meetings per month. Additional meetings may be called upon application of three
14 members.

15 C. Members of the ~~Louisiana Real Estate Commission~~ **commission** shall be
16 compensated at a rate of not more than fifty dollars a day for each meeting or for
17 attending to commission business, however, a member attending two meetings on
18 the same day shall not be compensated for more than one meeting on that day.
19 Members shall also be reimbursed for their actual expenses covering travel, meals,
20 lodging and other incidental expenses incurred while attending commission meetings
21 or attending to commission business.

22 * * *

23 §1435. Powers of the commission

24 * * *

25 C. The commission may:

26 (1) Adopt all necessary rules and bylaws for the **administration and**
27 enforcement of this Chapter;

28 (2) Require any satisfactory proof it may desire ~~in reference as~~ **as** to the honesty,
29 truthfulness, reputation, and knowledge of any applicant ~~for a real estate broker, or~~

1 ~~salesperson's license or registration as a timeshare interest salesperson or of any of~~
 2 ~~the officers or members of any such applicant, if applicable, to any of the~~
 3 ~~following: prior to the issuance of any license, or registration, and~~

4 (a) Real estate broker license.

5 (b) Real estate salesperson license.

6 (c) Real estate school or vendor certification.

7 (d) Timeshare interest salesperson registration.

8 (e) Real estate instructor approval or certification.

9 * * *

10 D. In addition to its general powers, ~~as above~~ provided by way of extension
 11 and not of limitation, the commission is ~~expressly granted the right to~~ may require
 12 ~~any real estate broker or timeshare developer registrant~~ all licensees, registrants,
 13 and certificate holders to keep records, as specified in this Chapter of ~~all real estate~~
 14 ~~or timeshare transactions.~~ The commission is authorized to inspect such records at
 15 the offices of ~~those~~ the licensees, registrants, and certificate holders, ~~or registrants~~
 16 by its duly authorized representatives between the hours of 9:00 A.M. and 4:00 P.M.,
 17 with Saturdays, Sundays, and legal holidays excluded, and to subpoena any of the
 18 said records.

19 E. The commission shall have the right to subpoena any licensee, registrant,
 20 certificate holder or witness for the purpose of holding any hearing or in furtherance
 21 of an authorized investigation. Failure by a licensee or registrant to comply with a
 22 subpoena or subpoena duces tecum shall be punishable by the commission as
 23 ~~provided under the provisions of~~ pursuant to R.S. 37:1455.

24 F. The commission ~~may also~~ shall have the right to require ~~that~~ all real
 25 estate ~~brokers~~ licensees and registered timeshare developers ~~registrants shall to~~
 26 deposit all monies or things of value received on behalf of clients in a separate
 27 banking account or accounts in a legally chartered financial institution. Said monies
 28 so received are not to be commingled with the personal funds of such licensees or
 29 registrants.

* * *

H. The commission ~~may shall establish, through the adoption and promulgation of rules~~ **adopt rules, and regulations, and procedures** in accordance with the Administrative Procedure Act, ~~procedures~~ by which a determination may be made as to whom a disputed escrow deposit ~~should~~ **shall** be released.

§1436. Licensing and registration required

A. Licenses issued by the commission shall be classed as active and inactive.

B. It shall be unlawful for any person ~~or entity, directly or indirectly,~~ **partnership, limited liability company, association, or corporation, foreign or domestic, whether pursuant to a power of attorney or otherwise, for a fee, commission, or other valuable consideration, or with the intention, in the expectation, or upon the promise of receiving or collecting a fee, commission or other valuable consideration,** to engage in ~~or conduct, or to advertise or hold himself out as engaging in or conducting the business, or acting in the capacity, of a real estate broker or real estate salesperson within the state without first obtaining a license as such broker or salesperson, and being classed as an active licensee, as provided in this Chapter,~~ **any real estate activity relating to any portion of a real estate transaction performed for another,** unless he is exempted, from obtaining a license as specified herein.

C. It shall be unlawful for any person **individual, partnership, limited liability company, corporation, or other legal** entity, ~~directly or indirectly, or the successor or assignee thereof,~~ to engage in ~~or conduct, or to advertise to hold himself or itself out as engaging in or conducting the business, or acting in the capacity of a timeshare interest salesperson or timeshare developer~~ **create a timeshare plan, or to make sales of timeshare interests, which it owns or purports to own or for another,** without first obtaining a registration as ~~such a timeshare interest salesperson or timeshare developer,~~ as provided in this Chapter, unless he is exempted from obtaining a registration as specified therein.

D. Any person, corporation, partnership, limited liability company, or other

1 **legal** entity ~~who~~ **that**, directly or indirectly for another, with the intention or upon
 2 the promise of receiving any valuable consideration, offers, attempts, or agrees to
 3 perform, or performs any single act described herein, whether as a part of a
 4 transaction, or as an entire transaction, shall be deemed a licensee or registrant within
 5 the meaning of this Chapter. The commission of a single act by such a person or
 6 entity required to be licensed or registered under this Chapter and not so licensed or
 7 registered shall constitute a violation of the provisions of this Chapter.

8 §1437. Application for license

9 A. Any person, desiring to act as a real estate broker or as a real estate
 10 salesperson, or any corporation, partnership, limited liability company, **partnership,**
 11 **limited liability company, association, or corporation,** or ~~any~~ other legal entity
 12 desiring to conduct real estate activity in this state, shall file an application for a
 13 license with the commission. The application shall be in such form and detail as the
 14 commission shall prescribe, setting forth the following:

15 (1) The name and address of the applicant and the name under which the
 16 applicant intends to conduct business.

17 (2) The place or places, including the city or village with the street and street
 18 number, if any, where the business is to be conducted.

19 (3) Such other information as the commission shall require.

20 B.~~(1)~~ Licenses shall be granted only to persons, **partnerships, limited**
 21 **liability companies, associations, corporations,** or **other legal** entities ~~who~~ **that**
 22 bear a good reputation for honesty, trustworthiness, integrity, and competence to
 23 transact **the** real estate activities ~~requiring licensing in this state~~ **defined in this**
 24 **Chapter,** in such a manner as to safeguard the interest of the public, and only after
 25 satisfactory proof of such qualifications has been presented to the commission.

26 ~~(2)~~**(1)** When an applicant has been convicted of forgery, embezzlement,
 27 obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or
 28 theft, or has been convicted of a felony or a crime involving moral turpitude in any
 29 court of competent jurisdiction, such untrustworthiness of the applicant, and the

1 conviction, may in itself be sufficient grounds for refusal of a license.

2 ~~(3)~~(2) When an applicant has made a false statement of material fact on his
3 application, such false statement may in itself be sufficient grounds for refusal of a
4 license.

5 ~~(4)~~(3) Grounds for suspension or revocation of a real estate license in
6 Louisiana or any other jurisdiction, or the previous suspension or revocation, of a
7 real estate license in Louisiana or any other jurisdiction shall also be grounds for
8 refusal to grant a license.

9 C.~~(1)~~ No individual real estate broker or salesperson's license shall be issued
10 to any person who has not attained the age of eighteen years. No individual real
11 estate broker or salesperson's license shall be issued to any person who is not a high
12 school graduate or the holder of a certificate of high school equivalency.

13 ~~(2)~~(a)(1)(a) All applicants for an initial individual real estate broker's license
14 shall have first ~~served actively~~ **been licensed** for four years ~~as a real estate~~
15 ~~salesperson,~~ **with two of the four years occurring immediately preceding**
16 **submission of a broker license application,** and shall show evidence satisfactory
17 to the commission that they have satisfactorily completed at least one hundred fifty
18 hours **of instruction,** or its equivalent, ~~of instruction~~ in real estate courses approved
19 by the commission ~~prior to licensure~~. Satisfactory completion includes passage of
20 an examination on course contents.

21 (b) At least thirty hours of the broker educational requirement shall be
22 obtained in coursework emphasizing broker responsibilities.

23 (c) Each person obtaining an initial real estate broker's license shall complete
24 forty-five post-license education hours within one hundred eighty days after the
25 initial license date. Such hours shall be in subjects required by the commission
26 including but not limited to laws, rules and regulations changes, finance, and the
27 handling of funds. Post-license education hours may be used **in the year completed**
28 to satisfy eight hours of the twelve-hour annual continuing education requirement;
29 however, post-license education hours shall not satisfy the ~~four-hour~~ mandatory

1 continuing education topic specified by the commission.

2 ~~(3)~~**(2)** The commission, ~~through its education division~~, may accept real estate
3 related credit hours from an accredited college or university as partial substitution
4 of the broker licensing educational requirement.

5 ~~(4)~~**(3)** The commission shall have the authority to accept experience in the
6 real estate business or related fields as credit toward fulfillment of the education
7 requirements set forth herein.

8 ~~(5)(a)~~**(4)(a)** All applicants for a salesperson's license shall show evidence
9 satisfactory to the commission that they have completed ninety hours or its
10 equivalent of instruction in real estate coursework approved by the commission prior
11 to licensure. Satisfactory completion includes passage of an examination on course
12 contents.

13 (b) Each person obtaining an initial salesperson's license shall complete
14 forty-five post-license education hours within one hundred eighty days after the
15 initial license date. Such hours shall be in subjects required by the commission
16 including but not limited to laws, rules and regulations changes, finance, and the
17 handling of funds. Post-license education hours may be used **in the year completed**
18 to satisfy eight hours of the twelve-hour annual continuing education requirement;
19 however, post-license education hours shall not satisfy the four-hour mandatory
20 continuing education topics specified by the commission.

21 ~~(6)(a)(i)~~**(5)(a)** In addition to all other education requirements set forth in this
22 Chapter, **regardless of initial license date**, the license of an individual real estate
23 broker or salesperson shall not be renewed unless the broker or salesperson shall
24 furnish proof of completion of twelve hours per year of continuing education
25 pertaining to matters, including but not limited to laws, rules, and regulations relative
26 to licensing, appraisal, finance, taxes, zoning, environmental quality, and the United
27 States Department of Housing and Urban Development. ~~Four~~ **A minimum of four**
28 of the required annual continuing education hours shall be in subjects specified by
29 the commission. Post-license education hours may be used to satisfy eight hours of

1 the twelve-hour annual continuing education requirement; however, post-license
2 education hours shall not satisfy the ~~four-hour~~ mandatory continuing education
3 topics specified by the commission.

4 ~~(ii)~~**(b)** The commission shall promulgate rules and regulations necessary to
5 implement the continuing education **and post-license education** requirement and
6 may mandate the completion of courses in specific real estate-related subjects. Such
7 rules and regulations may require passage of an examination in order to satisfy the
8 continuing education **and post-license education** requirement.

9 D. Every applicant for a license shall submit a sworn statement attesting that
10 he has knowledge of and understands the provisions of the Fair Housing Act of 1968
11 and the Louisiana Equal Housing Opportunity Act, and any amendments thereto or
12 any successor legislation subsequently following, and that ~~he~~ **the applicant** shall not
13 induce or attempt to induce any person to sell or rent any dwelling by representations
14 regarding the entry or prospective entry into an area, subdivision, or neighborhood
15 of a person or persons of a particular race, color, religion, or national origin.

16 E. A nonresident may obtain a broker's or salesperson's license and engage
17 in the real estate business in this state under conditions prescribed by the
18 commission.

19 §1437.1. Timeshare registration

20 A. Any person or entity desiring to engage directly in the business of selling
21 timeshare interests must register with the commission.

22 B.~~(1)~~**(a)** The application for registration shall be in such form as may be
23 required by the commission and in accordance with R.S. 9:1131.9 so that only
24 persons who have a good reputation for honesty, trustworthiness, and integrity may
25 be so registered.

26 ~~(b)~~**(1)** The commission shall approve or deny such applications for
27 registration within forty-five days from receipt of the application by the commission.

28 (2) When an applicant has been convicted of forgery, embezzlement,
29 obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or

1 theft, or has been convicted of a felony or a crime involving moral turpitude in any
2 court of competent jurisdiction, such untrustworthiness of the applicant, and the
3 conviction, may in itself be sufficient grounds for refusal of a timeshare interest sales
4 registration.

5 (3) When an applicant has made a false statement of material fact on his
6 application, such false statement may in itself be sufficient grounds for refusal of a
7 timeshare interest sales registration.

8 (4) Grounds for suspension or revocation of a registration, or real estate
9 license, or the previous revocation of a real estate license or registration in Louisiana
10 or any other jurisdiction, shall be grounds for refusal to grant a timeshare interest
11 sales registration.

12 (5) ~~No~~ A timeshare registration shall not be issued to any person who has not
13 attained the age of eighteen years. ~~No~~ A timeshare interest sales registration shall not
14 be issued to any person who is not a high school graduate or the holder of a
15 certificate of high school equivalency.

16 C. The provisions of this Section ~~with regard to registering as timeshare~~
17 ~~interest salespersons do~~ shall not apply to a licensed real estate broker or salesperson
18 or to employees of a timeshare developer registered under this Section.

19 D. Notwithstanding any other provisions of law, a timeshare developer may
20 not avoid liability to timeshare purchasers for the acts of timeshare interest
21 salespersons or real estate licensees on the basis that the timeshare interest
22 salesperson or real estate licensee is merely an independent contractor.

23 * * *

24 F. Except for the provisions contained in R.S. 9:1131.12, the changes and
25 additions affected by Act No. 999 of the 1985 Regular Session of the Legislature
26 shall not apply to any timeshare project ~~which has filed and been~~ approved to operate
27 ~~as a timeshare project~~ by the Louisiana Real Estate Commission on or before June
28 1, 1985, and for which protection if all of the following conditions have been met.

29 (1) Protection under the federal bankruptcy law has not been filed ~~and~~

1 whose.

2 **(2) The** developer has not been suspended by the Louisiana Real Estate
3 Commission, ~~and which, if approved prior to July 20, 1984,~~

4 **(3) The project** has been actively and consistently marketed as a timeshare
5 project, **if approved prior to July 20, 1984.**

6 G. Any timeshare interest salesperson or seller of a timeshare interest shall
7 comply with the provisions of the Louisiana Real Estate License Law and the rules
8 adopted pursuant thereto, including licensure, unless otherwise exempt.

9 **(1)** The Louisiana Real Estate License Law shall not apply to a **timeshare**
10 developer registered under this Section, ~~solely acting for itself~~ as sole owner or sole
11 lessor ~~with reference to~~ **of** real estate solely owned or solely leased by the developer,
12 ~~or~~ a registered affiliated entity, ~~or~~ **a** registered wholly-owned subsidiary of the
13 developer, ~~or an.~~

14 **(2) The Louisiana Real Estate License Law shall not apply to an** existing
15 timeshare owner who, ~~for compensation,~~ refers prospective purchasers, ~~but only if~~
16 ~~the existing timeshare owner refers~~ **for compensation, provided that the existing**
17 **timeshare owner adheres to all of the following:**

18 **(a) Refers** no more than twenty prospective purchasers in any calendar year
19 ~~limits his or her.~~

20 **(b) Limits such** activities to referring prospective purchasers of timeshare
21 interests to the developer or the developer's employees or agents, ~~and does.~~

22 **(c) Does** not show, discuss terms or conditions, or otherwise participate in
23 negotiation with regard to timeshare interests.

24 §1437.2. Corporations; limited liability companies; partnerships; ~~real estate brokers'~~
25 **broker** licenses

26 A. Any corporation, limited liability company, or partnership formed under
27 the laws of this state or any foreign corporation, limited liability company, or
28 partnership ~~which~~ **that** has been granted a certificate of authority to do business in
29 this state may be granted a real estate broker's license by the commission upon

1 application and compliance with the requirements of this Chapter.

2 B. Every application for a ~~corporate~~ **real estate broker license issued to a**
3 **corporation**, limited liability company, or partnership ~~real estate broker's license~~
4 shall be submitted by a licensed individual real estate broker who has been chosen
5 by the corporation, limited liability company, or partnership as its qualifying broker.

6 **(1) An individual real estate broker may serve as a qualifying broker for more**
7 **than one corporation, limited liability company, or partnership.**

8 **(2) A corporation, limited liability company, or partnership may**
9 **designate a new qualifying broker at any time, as provided in R.S. 37:1441(C).**

10 C. ~~Upon dissolution, a corporation, limited liability company, or partnership~~
11 ~~shall return the license of the designated qualifying broker, and the license of every~~
12 ~~sponsored licensee to the commission within ten days of the dissolution. A~~
13 **corporation, limited liability company, or partnership shall notify the**
14 **commission within five calendar days of its dissolution, accompanied by notice**
15 **of the termination of the broker license, as provided in R.S. 37:1441, for each**
16 **sponsored licensee, at which time the commission shall cancel the real estate**
17 **broker license of the corporation, limited liability company, or partnership,**
18 **thereby prohibiting such entity from performing any act for which a real estate**
19 **broker license is required.**

20 D. ~~Upon termination of a qualifying broker's affiliation with a corporation,~~
21 ~~limited liability company, or partnership for any reason, the corporation, limited~~
22 ~~liability company, or partnership shall notify the commission and designate a new~~
23 ~~qualifying broker within five working days. A corporation, limited liability~~
24 ~~company, or partnership may designate a new qualifying broker at any time.~~

25 E. ~~Upon the merger or consolidation with another~~ **A** corporation, limited
26 liability company, or partnership, the corporation, limited liability company, or
27 partnership shall notify the commission ~~not later than~~ **within** five working **calendar**
28 days following the effective date of the merger or consolidation **with another**
29 **corporation, limited liability company, or partnership.**

1 §1437.3. Inactive license

2 A. Effective January 1, 1990, an inactive license status shall be established.

3 B. Any licensee in good standing with the commission may elect to place his
4 license in an inactive license status ~~with the commission provided he applies for a~~
5 ~~transfer to an inactive status and remits~~ **by submitting the appropriate transfer**
6 **application and remitting** the applicable fees as set forth in this Chapter. ~~Former~~
7 ~~licensees may, within~~ **Within** the ~~six-month~~ **three-month** delinquency period
8 **immediately following the expiration of the last active license** and upon payment
9 of appropriate renewal and inactive license transfer fees, **former licensees may**
10 transfer their license to **the** inactive status.

11 C. During the period the license is in **the** inactive status, the licensee shall be
12 prohibited from engaging in any activity requiring a real estate license. The licensee
13 shall be required to renew the inactive license on a ~~yearly~~ **an annual** basis by filing
14 the required renewal application and paying the ~~annual~~ inactive renewal fees as
15 specified in this Chapter.

16 D. The licensee may request transfer from inactive status to active status at
17 any time, provided the inactive license ~~has been renewed as provided for in this~~
18 ~~Chapter and~~ is current at the time the request is received at the commission.

19 E. An inactive licensee will not be required to fulfill the continuing education
20 requirement established for active licensees on a yearly basis; however, upon
21 application to return to active license status the licensee must have completed the
22 continuing education specified ~~in the following Paragraphs~~ **as follows:**

23 (1) **Licenses remaining in the active status for less than one year shall**
24 **have completed the twelve hour continuing education requirement for the**
25 **previous year.**

26 (2) Licensees remaining in the inactive status from one to five years shall
27 complete the number of **continuing education** hours ~~of continuing education~~
28 specified **herein** for the period **following periods** of inactivity indicated below:

29 (a) One to **less than** three years ~~of~~ **in the** inactive status - twenty hours of

1 continuing education.

2 (b) Three to less than five years ~~of in the~~ inactive status - forty hours of
3 continuing education.

4 ~~(2)~~(3) If the licensee remains in the inactive status for two to five renewal
5 periods,~~he~~ the licensee must complete a four-hour course covering Louisiana real
6 estate license law ~~and or~~ or commission rules and regulations as part of the hours
7 specified in Paragraph ~~(+)~~ (2) of this Subsection to be eligible to return to active
8 license status. ~~This~~ The required four-hour course must be completed within one
9 year prior to the date of the license transfer ~~of the license~~ to the active status.

10 ~~(3)~~(4)(a) The licensee may remain in the inactive license status indefinitely,
11 provided ~~he~~ the licensee complies with the ~~yearly~~ annual inactive renewal
12 procedures. Licensees remaining ~~on in the~~ inactive status for ~~longer than a five-year~~
13 ~~period will~~ five or more years shall be required to complete a maximum of eighty
14 hours of approved continuing education within the five-year period immediately
15 preceding the request to return to active license status.

16 (b) Such continuing education shall include a four-hour Louisiana real estate
17 license law ~~and or~~ or commission rules and regulations course ~~which must.~~ The course
18 shall be completed within one year prior to the date of the license transfer ~~of the~~
19 license to the active status.

20 (c) ~~However, any applicant who~~ Any licensee that has continued to obtain
21 annual continuing education in the required areas during the period that ~~he~~ the
22 licensee is in the inactive status may cumulate those hours and be eligible to
23 ~~reactivate his license~~ transfer to the active status at any time.

24 ~~(4)~~(5) Any request by an inactive licensee to transfer to active status shall be
25 accompanied by payment of the prescribed fees and proof of completion of the
26 applicable continuing education hours.

27 §1438. Applicability

28 A. The provisions of this Chapter shall not apply to:

29 (1) Any unlicensed person, partnership, limited liability company,

1 association, or corporation, foreign or domestic, ~~which has not been granted a real~~
 2 ~~estate license in Louisiana and which, as owner or lessor, either individually or~~
 3 ~~through an employee or representative and performs acts of ownership with~~
 4 ~~reference to property owned by him, except persons in the business of selling or~~
 5 ~~managing timeshare interests.~~ **provided that the following requirements are met:**

6 **(a) The unlicensed person, partnership, limited liability company,**
 7 **association, or corporation, foreign or domestic, is the owner or lessor of the**
 8 **property.**

9 **(b) The unlicensed person, partnership, limited liability company,**
 10 **association, or corporation, foreign or domestic, performs acts of ownership**
 11 **regarding the property, either individually or through an employee or**
 12 **representative.**

13 **(c) The provisions of this Section shall not include any unlicensed person,**
 14 **partnership, limited liability company, association, corporation, foreign or**
 15 **domestic, in the business of selling or managing timeshare interests.**

16 (2) The service rendered by an attorney at law on behalf of a client ~~which~~
 17 **that** may be required in the normal course of other legal representation.

18 (3) A receiver, trustee in bankruptcy, administrator, executor, tutor, or civil
 19 sheriff for any parish of this state.

20 (4) A trustee selling under a deed of trust or a mortgage.

21 (5) Any individual, corporation, partnership, trust, limited liability company,
 22 joint venture, or other entity ~~which~~ **that** sells, exchanges, leases, or manages its own
 23 property, except persons, corporations, partnerships, trusts, limited liability
 24 companies, joint ventures, and other entities ~~who~~ **that** are in the business of selling
 25 timeshare interests.

26 (6) Any salaried person employed by a licensed real estate broker for and on
 27 behalf of the owner of any real estate ~~which~~ **that** the licensed broker has contracted
 28 to manage for the owner, if the salaried employee is limited in his employment to **the**
 29 **following:**

1 (a) Delivering a lease application, a lease, or any amendment thereof to any
2 person.

3 (b) Receiving a lease application, lease, or amendment thereof, a security
4 deposit, rental payment, or any related payment for delivery to and made payable to
5 a property manager or owner.

6 (c) Showing a rental unit to any person, as long as the employee is acting
7 under the direct instructions of the broker, including the execution of leases or rental
8 agreements, provided the broker is responsible for the actions of his employees.

9 (d) Providing information about a rental unit, a lease, an application for lease,
10 or the status of a security deposit or the payment of rent to any person.

11 (e) Assisting in the performance of property management functions by
12 carrying out administrative, clerical, or maintenance tasks.

13 (7) Any person employed by a housing authority to manage its property or
14 otherwise managing property of the Department of Housing and Urban
15 Development, but only with respect to the management of such property.

16 (8) Any person managing agricultural property.

17 §1439. Issuance of license, certificate, or registration

18 A. Upon compliance with the provisions of this Chapter and with the rules
19 and regulations of the commission, the commission shall issue the appropriate
20 license, certificate, or registration and shall prescribe the form of such license,
21 certificate, or registration.

22 B. ~~Each individual real estate broker's license and each corporation, limited~~
23 ~~liability company, or partnership real estate broker's license shall show the name and~~
24 ~~street address of the business and shall also show the mailing address of the business~~
25 ~~if it is different from the street address~~ **A broker license issued to an individual,**
26 **partnership, limited liability company, association, corporation, or other legal**
27 **entity, shall include the business name, the street address of the business, and**
28 **the mailing address of the business, if it is different from the street address.**

29 C. Each sales or associate broker license shall ~~show the~~ **include the**

1 **following information:**

2 **(1) The** name of the licensee.

3 **(2)** ~~The license shall also show the name of the sponsoring individual real~~
4 ~~estate broker, or the name of the corporation, partnership, or limited liability~~
5 ~~company or other entity~~ **partnership, limited liability company, association,**
6 **corporation, or other legal entity,** under which the license is issued.

7 **(3)** The license of each associate broker or salesperson shall be delivered ~~or~~
8 ~~mailed to and kept in the custody and control of to~~ the individual real estate broker
9 ~~or designated qualifying broker by whom the associate broker or salesperson is~~
10 ~~sponsored~~ **the partnership, limited liability company, association, corporation,**
11 **or other legal entity, under which the license is issued in the manner and mode**
12 **determined by the commission.**

13 D. Each timeshare developer registration shall ~~show~~ **include** the name and
14 street address of the developer and, ~~shall also show his~~ **the** mailing address **of the**
15 **developer,** if it is different from the street address.

16 E. Each timeshare sales registration shall ~~show the name and~~ **include all of**
17 **the following information:**

18 **(1) The name of the sales registrant.**

19 **(2) The** residential address of the **sales** registrant, and ~~shall also show his~~ **the**
20 mailing address **of the sales registrant,** if it is different from the residential address.

21 **(3)** ~~Each individual timeshare sales registration shall show the~~ **The** name of
22 the developer ~~by whom the registrant is employed~~ **who employs the sales**
23 **registrant.**

24 F. The **timeshare sales** registration shall be delivered ~~or mailed~~ to the
25 developer **in the manner and mode determined by the commission** and shall be
26 kept in the custody and control of that developer.

27 F. **G.(1)** Associate brokers, salespersons, and timeshare interest salespersons
28 shall not conduct any activities requiring ~~licensing or registering~~ **a license or**
29 **registration** until ~~their~~ **such** license or registration has been issued and is in the

1 custody of ~~their~~ **the** sponsoring broker or employing timeshare developer, ~~or~~.

2 **(2) This provision shall not apply if** the sponsoring broker or employing
3 timeshare developer has received written authorization from the commission
4 authorizing such activity pending the issuance of the license or timeshare registration
5 by the commission.

6 * * *

7 §1441. Return of license or registration upon transfer or termination

8 A. When the ~~association~~ **sponsorship** of an associate broker or salesperson
9 ~~with his sponsoring broker~~ is terminated ~~by either party~~ for any reason, the
10 ~~sponsoring broker~~ **terminating party** shall ~~send the associate broker's or~~
11 ~~salesperson's license, by hand delivery or by certified or registered mail,~~ **submit a**
12 **form attesting to the termination** to the commission, within five **calendar** days of
13 such termination.

14 ~~(1) No associate broker or salesperson shall act as such, either directly or~~
15 ~~indirectly, under authority of such license after the date the license has been~~
16 ~~dispatched to the commission.~~ **Upon submission of a form indicating the**
17 **termination of sponsorship, the license of an associate broker or salesperson**
18 **shall no longer be in force or effect, and the associate broker or salesperson**
19 **shall be prohibited from conducting real estate activities, as defined in this**
20 **Chapter, until such time as the associate broker or salesperson shall obtain a**
21 **new sponsoring broker.**

22 ~~(2) Such~~ **An** associate broker or salesperson, ~~upon sponsorship by another~~
23 ~~licensed broker,~~ **whose sponsorship has been terminated,** shall be entitled to **a**
24 **license** transfer the license upon written request **submission of a form indicating**
25 **the transfer to a new broker to the commission** and payment of the required fee;
26 however, ~~not more than one license shall be issued to any associate broker or~~
27 ~~salesperson for the same period of time.~~

28 B. ~~(1)~~ When the ~~association~~ **affiliation** of a timeshare sales registrant with his
29 **a** registered developer is terminated ~~by either party~~ for any reason, the developer

1 shall send the sales registration certificate, by hand delivery or certified or registered
2 mail, to notify the commission in writing within five days of such termination.

3 (2) Any timeshare sales registrant, ~~who wishes to begin a new business~~
4 ~~relationship with another developer~~ whose affiliation with a registered developer
5 has been terminated, shall notify the commission, in writing ~~and by certified or~~
6 ~~registered mail~~, prior to beginning ~~that business relationship~~ an affiliation with
7 another registered developer.

8 (3) ~~No timeshare sales registrant shall act as such, either directly or~~
9 ~~indirectly, under authority of such registration after the certificate has been~~
10 ~~dispatched to the commission. Such timeshare registrant shall, upon acceptance by~~
11 ~~a new developer, be allowed to transfer his registration to that developer upon receipt~~
12 ~~of all appropriate fees and paperwork. When an affiliate timeshare sales registrant~~
13 ~~is terminated by a registered timeshare developer, such sales registration shall~~
14 ~~no longer be in force or effect, until such time that the commission receives a~~
15 ~~written notice that the timeshare sales registrant is affiliated with a new~~
16 ~~developer and the prescribed fees have been remitted.~~

17 C. When the association ~~of~~ between a designated qualifying broker ~~with and~~
18 a corporation, limited liability company, or partnership, limited liability company,
19 association, corporation, or other legal entity, foreign or domestic, is terminated
20 ~~by either party~~ for any reason, the following actions shall be taken:

21 (1) The terminating party shall submit a copy of the letter or resignation
22 or termination to the commission, within five calendar days of such termination.

23 (2) The designated outgoing qualifying broker shall notify all ~~associate~~
24 ~~brokers and salespersons sponsored by him in writing by certified or registered mail~~
25 sponsored licensees within five calendar days of the termination, including and
26 the effective date, by certified or registered mail of the termination.

27 (2)(3) Neither the licensed ~~corporation, limited liability company, or~~
28 partnership, limited liability company, association, corporation, or other legal
29 entity, foreign or domestic, nor any ~~associate broker or salesperson~~ licensee

1 sponsored by the terminated ~~designated~~ qualifying broker, shall engage in any real
2 estate activity requiring ~~licensing~~ a license until a new qualifying broker has been
3 designated by the ~~corporation, limited liability company, or partnership,~~ limited
4 liability company, association, corporation, or other legal entity, foreign or
5 domestic and the designation has been reflected in the files of the commission.

6 (4) Upon termination of a qualifying broker's association with a
7 partnership, limited liability company, association, corporation or other legal
8 entity, foreign or domestic, such entity shall designate a new qualifying broker
9 and shall notify the commission by submission of a form indicating the
10 designation of such broker within five calendar days of the termination.

11 ~~(3)~~(5) Upon designation of a new qualifying broker, the outgoing qualifying
12 broker shall ~~deliver~~ provide custody of the licenses of all sponsored licensees to the
13 new designated qualifying broker.

14 ~~(4)~~(6) The new designated qualifying broker shall inform all associate
15 brokers or salespersons licensed with the ~~corporation, limited liability company, or~~
16 ~~partnership in writing~~ All sponsored licensees of the partnership, limited liability
17 company, association, corporation, or other legal entity, foreign or domestic
18 shall be informed of the change in the designation of a qualifying broker,
19 including the effective date, by certified or registered mail, ~~of his designation as~~
20 ~~qualifying broker and of the effective date of the designation~~ not later than five
21 calendar days following the effective date of the designation.

22 ~~(5)~~ The outgoing qualifying broker shall return his license as qualifying
23 broker for the ~~corporation, limited liability company, or partnership~~ to the
24 commission within five days following the effective date of the designation of the
25 new qualifying broker.

26 * * *

27 §1443. Fees

28 The commission may charge:

- 29 (1) Initial fees for licensing or certification:

| | | |
|----|---|----------------------|
| 1 | (a) Individual real estate broker's license | \$ 120.00 |
| 2 | (b) Corporate, partnership, or limited liability company real estate broker's | |
| 3 | license | \$ 120.00 |
| 4 | (c) Branch office license | \$ 45.00 |
| 5 | (d) Real estate salesperson's license | \$ 45.00 |
| 6 | (e) School certification | \$ 650.00 |
| 7 | (f) Instructor application /certification | \$ 35.00 |
| 8 | (g) Instructor certification re-examination | \$ 35.00 |
| 9 | (h) Continuing education vendor | \$ 300.00 |
| 10 | (2) Renewal fees for licensing or certification: | |
| 11 | (a) Real estate active broker's license | \$ 70.00 |
| 12 | (b) Real estate inactive broker's license | \$ 35.00 |
| 13 | (c) Branch office license | \$ 45.00 |
| 14 | (d) Real estate active salesperson's license | \$ 35.00 |
| 15 | (e) Real estate inactive salesperson's license | \$ 35.00 |
| 16 | (f) School certification | \$ 300.00 |
| 17 | (g) Instructor certification | \$ 35.00 |
| 18 | (h) Continuing education vendor | \$ 150.00 |
| 19 | (3) Fees for timeshare registration: | |
| 20 | (a) Initial public offering statement filing fee | \$ 500.00 |
| 21 | (b) Additional public offering statement filing fee | \$ 250.00 |
| 22 | (c) Initial timeshare developer registration | \$ 120.00 |
| 23 | (d) Timeshare developer renewal fee | \$ 70.00 |
| 24 | (e) Initial timeshare interest salesperson fee | \$ 45.00 |
| 25 | (f) Timeshare interest salesperson renewal fee | \$ 35.00 |
| 26 | (g) Timeshare prize registration | \$ 150.00 |
| 27 | (4) Delinquent fees, in addition to the renewal fee, if not renewed by | |
| 28 | December thirty-first of the applicable license, registration, or certification period: | |
| 29 | (a) January 1 - February 15 Active and inactive Licensees | \$ 50.00 |

| | | |
|---|---|------------------|
| 1 | (b) February 16 - March 31 <u>Active Licensees</u> | \$ 200.00 |
| 2 | <u>(c) February 16 - March 31 Inactive Licensees</u> | <u>\$ 200.00</u> |
| 3 | <u>(d) January 1 - January 31 Real estate schools, vendors, and</u> | |
| 4 | <u>pre-license instructors</u> | <u>\$ 50.00</u> |

5 * * *

6 §1446. Compensation; independent contractor status of salespersons and associate
7 brokers

8 A. No payment of a commission or compensation shall be made by any
9 licensee or registrant to any person who has not first secured ~~his~~ a license or
10 registration under the provisions of this Chapter. This Subsection shall not apply to
11 a nonresident broker who is currently licensed in his state of residence.

12 B. No payment of a commission or other compensation shall be made by any
13 broker to any licensee ~~or registrant~~ when the paying broker has knowledge that the
14 receiving licensee ~~or registrant~~ has agreed to pay or intends to pay or otherwise
15 deliver a portion of the commission or compensation to an unlicensed person or
16 entity.

17 C. Associate brokers, salespersons, and timeshare interest salespersons shall
18 not pay or offer to pay any commission or valuable consideration for the
19 performance of any act herein specified.

20 D. Payment of a commission or compensation may be made to and accepted
21 by former licensees and registrants for transactions negotiated by them while duly
22 licensed or registered by the commission.

23 E. ~~Current licensees who transfer their licenses from one broker to another~~
24 ~~broker~~ An active licensee may accept compensation ~~from their former broker~~ for
25 ~~business transactions which~~ transactions that were ~~instituted~~ initiated by the
26 licensee while under sponsorship of a former sponsoring or qualifying broker,
27 ~~so long as~~ provided that the compensation is transmitted through ~~their~~ the current
28 sponsoring or qualifying broker.

29 F. Associate brokers and salespersons An active real estate licensee shall not

1 accept a commission or other valuable consideration for the performance of any act
2 herein specified, or for performing any act relating thereto, from any person, except
3 their sponsoring or qualifying broker.

4 G. Associate brokers and salespersons may assign or direct that commissions
5 or other compensation earned in connection with a real estate transaction be paid by
6 their licensed sponsoring broker to an unlicensed corporation of which the associate
7 broker or salesperson is the sole officer, director, and shareholder, or an unlicensed
8 limited liability company of which the associate broker or salesperson is the sole
9 manager.

10 H. A **sponsored** real estate ~~salesperson or associate~~ **licensee** shall be an
11 independent contractor of the **sponsoring or qualifying** broker ~~with whom he is~~
12 ~~affiliated~~ for all purposes and shall not be an employee of the **sponsoring or**
13 **qualifying** broker, if all of the following conditions are met:

14 (1) The real estate salesperson or associate broker is a licensee.

15 (2) Substantially all of the ~~real estate salesperson's or associate broker's~~
16 **sponsored licensee's** remuneration for the services performed is directly related to
17 sales or other output rather than the number of hours worked.

18 (3) There is a written agreement between the ~~real estate salesperson or~~
19 ~~associate broker~~ **sponsored licensee** and the **sponsoring or qualifying** broker that
20 specifies that the ~~real estate salesperson or associate broker~~ **sponsored licensee** will
21 not be treated as an employee.

22 * * *

23 §1449. Broker to insure provision of contract; retention of records

24 A. Licensees acting in the capacity of an agent or subagent, and registrants
25 shall insure that their respective principal party signing any document in a real estate
26 transaction is provided a copy of the document immediately after the signing of the
27 document.

28 B. Licensees and registrants shall insure that persons signing any document
29 in a real estate transaction ~~which~~ **that** pertains to more than one party are provided

1 with a copy of the completed document bearing the signatures of all parties to the
2 transaction within five days after the final signature is affixed to the document.

3 C. Written agreements for the sale or management of real estate shall specify
4 a definite expiration date ~~which~~ **that** shall not be subject to qualifying terms or
5 conditions.

6 D. Individual real estate brokers shall retain **all of the following records,**
7 readily available and properly indexed, for a period of five years, ~~the bank:~~

8 **(1) Bank** statements, copies of deposit slips, and cancelled checks on all
9 escrow or trust accounts ~~and copies.~~

10 **(2) Copies** of all documents ~~which~~ **that pertain** in any way ~~pertain~~ to real
11 estate transactions wherein ~~they~~ **the individual real estate broker** or licensees
12 sponsored by ~~them~~ **the individual real estate broker** have appeared in a licensing
13 capacity.

14 **(3) This requirement** **The requirement regarding copies** shall not be altered
15 by the ~~change of status~~ **transfer** of a broker to that of an associate broker, ~~or an~~
16 unlicensed person, or ~~transfer to inactive status~~ **an inactive license.**

17 E. ~~Corporate, limited liability company, and partnership~~ **Partnerships,**
18 **limited liability companies, associations, corporations, or other legal entities,**
19 **foreign or domestic** real estate brokers shall ~~maintain~~ **retain the following records,**
20 readily available and properly indexed, for a period of five years, ~~the bank:~~

21 **(1) Bank** statements, copies of deposit slips, and cancelled checks on all
22 escrow or trust accounts ~~and copies.~~

23 **(2) Copies** of all documents ~~which~~ **that pertain** in any way ~~pertain~~ to real
24 estate transactions wherein ~~they, their~~ **the partnership, limited liability company,**
25 **association, corporation, or other legal entity, foreign or domestic, the**
26 designated qualifying broker, or licensees sponsored by ~~them~~ **same,** have appeared
27 in a licensing capacity.

28 **(3) This requirement,** **regarding copies,** shall not be altered by the ~~failure of~~
29 ~~the corporate, limited liability company, or partnership,~~ **limited liability company,**

1 association, corporation, or other legal entity, foreign or domestic, real estate
 2 brokers to renew their license or the transfer of transferring the broker license to
 3 the inactive status or failure to renew such license.

4 * * *

5 §1451. Death or incapacity of a real estate broker

6 A. ~~In the event of the death of a sponsoring broker, any associate broker~~
 7 ~~affiliated with the deceased broker or, in the absence of an associate broker, a~~
 8 ~~salesperson sponsored by the deceased broker, may, after proper notification to and~~
 9 ~~approval in writing by the commission, complete, carry out, and enforce any~~
 10 ~~contracts to which the deceased broker was a party. The commission shall be~~
 11 notified in writing when a sponsoring broker dies and shall have the authority
 12 to appoint an active licensed associate broker or salesperson to complete, carry
 13 out, and enforce any incomplete real estate business activities of the deceased
 14 sponsoring broker, including real estate contracts left pending at the time of the
 15 death.

16 (1) The associate broker or salesperson shall immediately notify all
 17 sponsored licensees that the sponsoring broker has died. Such notice shall
 18 advise the sponsored licensees that no new contracts shall be instituted.

19 (2) In the absence of any sponsored licensees, the commission shall have
 20 the authority to appoint an active licensed broker to complete, carry out, and
 21 enforce any incomplete real estate activities of the deceased sponsoring broker,
 22 including real estate contracts left pending at the time of the death.

23 B. ~~The associate broker or salesperson approved by the commission to~~
 24 ~~complete the real estate business activities of the deceased sponsoring broker shall:~~

25 ~~(1) Immediately notify all sponsored licensees of the death of the broker.~~

26 ~~(2) Advise all sponsored licensees that no new contracts shall be instituted~~
 27 ~~and that their licenses shall be returned to the commission.~~

28 ~~(3) Return the licenses of the sponsored licensees to the commission within~~
 29 ~~five days.~~

Present law provides with respect to the dissolution of a legal entity engaged in timeshare development.

Proposed law provides that upon dissolution any of legal entity in possession of a broker's license to notify the commission within five days of the dissolution.

Present law provides for the categories of active and inactive license.

Proposed law provides requirements for moving from an inactive license to active, including continuing education requirements.

Present law provides that provisions of the licensing law shall not apply to certain unlicensed entities.

Proposed law provides specific guidelines for unlicensed entities not bound by the Louisiana Real Estate Licensing Law.

Present law provides relative to the issuance of a real estate broker license.

Proposed law provides for individual, partnership, limited liability company, association, corporation and other legal entities in the provisions regarding issuance of licenses.

Present law provides relative to timeshare sales registrant and timeshare developer requirements as they relate to real estate licensing law.

Proposed law adds requirements regarding the licensing of brokers and salespersons as they function in the area of timeshare properties.

Present law provides for the return of licenses or registrations upon transfer or termination.

Proposed law provides requirements particularly regarding the termination of sponsorship of associate brokers and salespersons.

Present law provides for a fee schedule.

Proposed law revises fee schedule and adds certain fees, particularly as to active and inactive licenses and real estate schools, vendors, and pre-license instructors.

Present law provides relative to the death of a sponsoring broker.

Proposed law provides that the commission may appoint an active license broker to complete transactions pending at the time of the death.

Present law provides that the commission may promulgate and enforce rules and qualifications relative to applications for licenses or registration.

Proposed law deletes this language and provides that the commission may adopt all necessary rules and by-laws for the administration and enforcement of the law.

Effective August 1, 2016.

(Amends R.S. 37:1433, 1435(C)(1) and (2), (D)-(F) and (H), 1436, 1437, 1437.1, 1437.2, 1437.3, 1438, 1439, 1441, 1443(1)(f), (3)(g) and (4), 1446, 1449, 1451, 1465, 1466(F), and repeals R.S. 37:1435(C)(3) and 1443(3)(g))