
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 388 Session of
2007

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SWANGER, VEREB, WALKO AND YOUNGBLOOD, FEBRUARY 13, 2007

REFERRED TO COMMITTEE ON PROFESSIONAL LICENSURE,
FEBRUARY 13, 2007

AN ACT

1 Providing for the licensing and regulation of travel agents;
2 establishing the Travel Agent Recovery Fund; and imposing
3 penalties.

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20 The General Assembly of the Commonwealth of Pennsylvania
21 hereby enacts as follows:
22 CHAPTER 1
23 PRELIMINARY PROVISIONS
24 Section 101. Short title.
25 This act shall be known and may be cited as the Travel Agents
26 Licensure Act.
27 Section 102. Definitions.
28 The following words and phrases when used in this act shall
29 have the meanings given to them in this section unless the
30 context clearly indicates otherwise:

1 "Board." The State Board of Travel Agents established in
2 section 301.

3 "Bureau." The Bureau of Professional and Occupational
4 Affairs in the Department of State.

5 "Commissioner." The Commissioner of Professional and
6 Occupational Affairs in the Department of State.

7 "Conviction." Includes a judgment, an admission of guilt or
8 a plea of nolo contendere.

9 "Department." The Department of State of the Commonwealth.

10 "Fund." The Travel Agent Recovery Fund established in
11 section 901.

12 "Misconduct in the practice of selling travel services."
13 Includes, but is not limited to, conviction for a criminal
14 offense, such as extortion, bribery or fraud, for conduct
15 relating to the practice of selling travel services or violating
16 a provision of this act or regulation promulgated by the State
17 Board of Travel Agents.

18 "Practice of selling travel services." The selling of or the
19 offer to sell travel services by a travel agent.

20 "Travel agent." An individual licensed under this act who
21 for compensation or other consideration acts or attempts to act
22 as an intermediary between a person seeking to purchase travel
23 services and a person seeking to sell travel services.

24 "Travel services." Transportation by air, sea or rail and
25 related ground transportation and any goods and services sold in
26 conjunction with that transportation, including lodging, meals
27 and entertainment.

28 CHAPTER 3

29 BOARD

30 Section 301. State Board of Travel Agents.

1 (a) Establishment.--There is hereby established within the
2 Department of State the State Board of Travel Agents.

3 (b) Members.--The board shall consist of:

4 (1) The Commissioner of Professional and Occupational
5 Affairs.

6 (2) The Director of the Bureau of Consumer Protection in
7 the Office of Attorney General or a designee.

8 (3) Eight public members, five of whom shall be travel
9 agents, appointed by the Governor with the advice and consent
10 of a majority of the members elected to the Senate.

11 (c) Qualifications.--A member of the board must be a citizen
12 of the United States and a resident of this Commonwealth. A
13 member who is a travel agent must have been engaged in the
14 practice of the profession for at least ten years and must have
15 been in responsible charge of work for at least five years.

16 (d) Terms.--The term of a member of the board shall be six
17 years or until a successor has been appointed and qualified, but
18 not longer than six months beyond the six-year period. A member
19 is not eligible for appointment to serve more than two
20 consecutive full terms.

21 (e) Vacancies.--In the event that a member dies or resigns
22 during the member's term a successor shall be appointed in the
23 same way and with the same qualifications and shall hold office
24 for the unexpired term.

25 (f) Quorum.--Five members of the board shall constitute a
26 quorum. A member may not be counted as part of a quorum or vote
27 on an issue, other than temporary and automatic suspension,
28 under this act unless the member is physically in attendance at
29 the meeting.

30 (g) President.--The board shall select annually a president

1 from among its members.

2 (h) Compensation.--Each member of the board, except the
3 commissioner and the Director of the Bureau of Consumer
4 Protection, or a designee, shall receive \$60 per diem when
5 actually attending to the work of the board. Members shall also
6 receive the amount of reasonable traveling, hotel and other
7 necessary expenses incurred in the performance of their duties.

8 (i) Attendance at meetings.--A member of the board who fails
9 to attend three consecutive meetings shall forfeit the member's
10 seat unless the commissioner, upon written request from the
11 member, finds that the member should be excused from a meeting
12 because of illness or the death of a family member.

13 (j) Attendance at training seminars.--A public member who
14 fails to attend two consecutive statutorily mandated training
15 seminars in accordance with section 813(e) of the act of April
16 9, 1929 (P.L.177, No.175), known as The Administrative Code of
17 1929, shall forfeit board membership unless the commissioner,
18 upon written request from the public member, finds that the
19 public member should be excused from a meeting because of
20 illness or the death of a family member.

21 (k) Meetings.--The board shall meet at least once every two
22 months and at additional times as may be necessary to conduct
23 the business of the board.

24 (l) Executive secretary.--The board, with the approval of
25 the commissioner, shall appoint and fix the compensation of an
26 executive secretary who shall be responsible for the day-to-day
27 operation of the board and administration of board activities.
28 Section 302. Powers and duties.

29 (a) General rule.--The board shall have the following powers
30 and duties:

1 (1) To provide for and regulate the licensing of and the
2 practice of individuals engaging in the practice of selling
3 travel services.

4 (2) To investigate the applications for licensure under
5 this act in order to determine their truth and to determine
6 the competency of an individual applying for a license under
7 this act.

8 (3) As to examination for licensure under this act:

9 (i) To prescribe the subjects, manner, time and
10 place of examinations and the filing of applications for
11 examinations.

12 (ii) To prepare or provide for the preparation of
13 examinations.

14 (iii) To conduct or provide for the conduct of
15 examinations.

16 (iv) To make written reports of examinations, which
17 reports shall be preserved for a period of not less than
18 three years.

19 (v) To collect fees for examinations and for
20 licenses issued without examination.

21 (vi) To issue licenses to individuals who pass
22 examinations.

23 (vii) To contract with a professional testing
24 organization for the examination of qualified
25 applications for licensure.

26 (4) As to registration under this act:

27 (i) To provide for, regulate and require an
28 individual licensed as a travel agent to register
29 biennially with the board.

30 (ii) To prescribe the form of the registration,

1 after consultation with the commissioner, and the payment
2 of a biennial registration fee fixed by regulation.

3 (iii) To issue biennial registration to qualified
4 individuals.

5 (iv) To suspend or revoke the license or
6 registration of an individual that fails, refuses or
7 neglects to register or pay the required fee within the
8 time prescribed by the board by its rules and
9 regulations.

10 (v) To reinstate a license and registration of an
11 individual under subparagraph (iv) who subsequently pays
12 a registration fee in accordance with the rules and
13 regulations of the board.

14 (5) To keep a roster showing the names and addresses of
15 travel agents licensed under this act, which shall be
16 published in booklet form by the board following each
17 biennial renewal. Copies of the roster shall be furnished
18 upon request and shall be available to the public through
19 electronic means.

20 (6) To suspend or revoke the license and registration of
21 a travel agent who is found by the board, by a majority vote
22 of all its members, to be guilty of the practice of fraud,
23 deceit or misrepresentation in obtaining the license, or of
24 gross negligence, incompetence or misconduct in the practice
25 of selling travel services.

26 (7) To reinstate a suspended license and registration in
27 any case where a majority of all the members of the board
28 shall deem it proper. Unless ordered to do so by a court, the
29 board shall not reinstate the license of an individual whose
30 license has been revoked, and the individual shall be

1 required to apply for a license, after a period of five years
2 in accordance with this act, if the individual desires to
3 practice at any time after revocation. The board shall
4 require an individual whose license has been suspended or
5 revoked to return the license in a manner directed by the
6 board. An individual who fails to do so commits a misdemeanor
7 of the third degree.

8 (8) To submit annually to the department an estimate of
9 the financial requirements of the board for its
10 administrative, investigative, legal and miscellaneous
11 expenses.

12 (9) To submit annually to the Appropriations Committee
13 of the Senate and the Appropriations Committee of the House
14 of Representatives, 15 days after the Governor has submitted
15 a budget to the General Assembly, a copy of the budget
16 request for the upcoming fiscal year which the board
17 previously submitted to the department.

18 (10) To administer and enforce the laws of this
19 Commonwealth relating to the practice of selling travel
20 services.

21 (11) To keep minutes and records of all its transactions
22 and proceedings.

23 (12) To adopt, promulgate and enforce administrative
24 rules and regulations, not inconsistent with this act, as are
25 deemed necessary and proper by the board to carry into effect
26 the provisions of this act.

27 (13) To submit annually a report to the Consumer
28 Protection and Professional Licensure Committee of the Senate
29 and the Professional Licensure Committee of the House of
30 Representatives. The report shall include a description of

1 the types of complaints received, status of cases, board
2 action which has been taken and the length of time from the
3 initial complaint to final board resolution.

4 (14) To administer the fund as set forth in Chapter 9.
5 Section 303. Hearing examiners.

6 (a) Appointment.--The board shall appoint, with the approval
7 of the Governor, hearing examiners as shall be necessary to
8 conduct hearings. The board shall have the power to adopt and
9 promulgate rules and regulations setting forth the functions,
10 powers, standards and duties of a hearing examiner.

11 (b) Authority.--A hearing examiner has the power to conduct
12 hearings in accordance with the regulations of the board and to
13 issue subpoenas requiring the attendance and testimony of
14 individuals or the production of pertinent books, records,
15 documents and papers by persons whom they believe to have
16 information relevant to any matter pending before the examiner.
17 A hearing examiner has the power to administer oaths.

18 (c) Decision.--The hearing examiner shall hear evidence
19 submitted and arguments of counsel, if any, with reasonable
20 dispatch, and shall promptly record the examiner's decision,
21 supported by findings of fact. A copy of the decision shall
22 immediately be sent to the board and to counsel of record, or
23 the parties, if not represented.

24 (d) Review.--If application for review is made to the board
25 within 20 days from the date of any decision made as a result of
26 a hearing held by a hearing examiner, the board shall review the
27 evidence and, if deemed advisable by the board, hear argument
28 and additional evidence. As soon as practicable, the board shall
29 make a decision and shall file it along with its finding of the
30 facts and send a copy to each of the parties.

1 CHAPTER 5

2 LICENSURE

3 Section 501. Prohibition.

4 The board shall not issue a license to an applicant who has
5 been convicted of a felonious act prohibited by the act of April
6 14, 1972 (P.L.233, No.64), known as The Controlled Substance,
7 Drug, Device and Cosmetic Act, or convicted of a felony relating
8 to a controlled substance in a court of law of the United States
9 or any other state, territory or country unless:

10 (1) At least ten years have elapsed from the date of
11 conviction.

12 (2) The applicant satisfactorily demonstrates to the
13 board that the applicant has made significant progress in
14 personal rehabilitation since the conviction such that
15 licensure of the applicant should not be expected to create a
16 substantial risk of harm to the members of the public or a
17 substantial risk of further criminal violations.

18 (3) The applicant otherwise satisfies the conditions of
19 the act.

20 Section 502. Education programs, standards and approval.

21 The board shall establish standards for the operation and
22 approval of continuing education programs. Programs for the
23 continued education of licensees shall be established and
24 conducted only with the approval of the board. Commencing on a
25 date established by regulation, licensees shall be required to
26 obtain ten hours of continuing education as a condition of
27 biennial renewal.

28 Section 503. Registration of travel agents.

29 The board shall create and maintain a roster of licensees.
30 The board shall require each individual licensed under this act

1 to provide information so that the board may create the roster.
2 If an individual's license is suspended or revoked, the board
3 shall remove the individual from the roster.

4 Section 504. Licensing procedure.

5 (a) Examination and fee.--An applicant for licensure as a
6 travel agent must pass an examination and pay the required fee.

7 (b) Education and character.--An applicant for licensure
8 shall show satisfactory evidence of the following:

9 (1) Graduation from high school or its equivalent.

10 (2) Good moral character.

11 Section 505. Practice by firms and corporations.

12 In addition to the prohibitions contained in section 704, the
13 practice of engaging in travel services being the function of an
14 individual or of individuals working in concerted effort, it
15 shall be unlawful for a firm or corporation to engage in the
16 practice, or to offer to practice, or to assume, use or
17 advertise any title or description conveying the impression that
18 the firm or corporation is engaged in or is offering to practice
19 the profession, unless the directing heads and employees of the
20 firm or corporation in responsible charge of its activities are
21 licensed and registered in conformity with this act.

22 Section 506. Procedure for suspension and revocation of
23 licenses and registrations; appeals.

24 Before the license of a licensee is suspended or revoked by
25 the board, a written copy of the complaint shall be furnished to
26 the licensee, and an opportunity shall be afforded the licensee
27 to be heard before the board personally or by counsel. At least
28 ten days' written notice of the time and place of the hearing
29 shall be given to the licensee by registered mail address.

30 Section 507. Fees.

1 (a) Fee fixed.--The fee for an applicant for licensure as a
2 travel agent shall be fixed by the board by regulation and shall
3 be subject to review in accordance with the act of June 25, 1982
4 (P.L.633, No.181), known as the Regulatory Review Act. If the
5 revenues generated by fees, fines and civil penalties imposed in
6 accordance with this act are not sufficient to match
7 expenditures over a two-year period, the board shall increase
8 those fees by regulation, subject to review in accordance with
9 the Regulatory Review Act, such that the projected revenue will
10 meet or exceed projected expenditures.

11 (b) Increase by bureau.--If the bureau determines that the
12 fees established by the board are inadequate to meet the minimum
13 enforcement efforts required, then the bureau, after
14 consultation with the board, shall increase the fees by
15 regulation, subject to review in accordance with the Regulatory
16 Review Act such that adequate revenues are raised to meet the
17 required enforcement effort.

18 (c) Biennial registration; deposit of fees.--An individual
19 engaged in the practice of selling travel services shall
20 register biennially with the board and pay the fee for each
21 biennial registration. All fees collected under this act shall
22 be received by the board and shall be paid into the Professional
23 Licensure Augmentation Account.

24 Section 508. Status of existing travel agents.

25 For a period of two years after the effective date of this
26 act, an individual engaged in the practice of selling travel
27 services in this Commonwealth at the time this act takes effect
28 shall continue to possess the same rights and privileges with
29 respect to the practice of selling travel services without being
30 required to take an examination. The individual shall pay the

1 fees for licensure and registration set by the board. However,
2 all actions of the individual shall be subject to the power of
3 the board as provided in this act and subject to the power of
4 the board to deny, suspend or revoke a license if the individual
5 fails to meet the other requirements set forth in section 502 or
6 violates any of the provisions of this act.

7 Section 509. Temporary and automatic suspensions.

8 (a) Temporary suspension.--A license issued under this act
9 may be temporarily suspended under circumstances as determined
10 by the board to be an immediate and clear danger to the public.
11 The board shall issue an order to that effect without a hearing,
12 but upon due notice to the licensee concerned at the last known
13 address of the licensee, which shall include a written statement
14 of all allegations against the licensee. The board shall
15 thereupon commence formal action to suspend, revoke or restrict
16 the license of the person as provided in this act. All actions
17 shall be taken promptly and without delay. Within 30 days
18 following the issuance of an order temporarily suspending a
19 license, the board shall conduct or cause to be conducted a
20 preliminary hearing to determine whether there is a prima facie
21 case supporting the suspension. The licensee whose license has
22 been temporarily suspended may be present at the preliminary
23 hearing and may be represented by counsel, cross-examine
24 witnesses, inspect physical evidence, call witnesses, offer
25 evidence and testimony and make a record of the proceedings. If
26 it is determined that there is not a prima facie case, the
27 suspended license shall be immediately restored. The temporary
28 suspension shall remain in effect until vacated by the board,
29 but in no event longer than 180 days.

30 (b) Automatic suspension.--A license issued under this act

1 shall automatically be suspended upon the legal commitment to an
2 institution of a licensee because of mental incompetence from
3 any cause upon filing with the board a certified copy of the
4 commitment or the conviction of a felony under the act of April
5 14, 1972 (P.L.233, No.64), known as The Controlled Substance,
6 Drug, Device and Cosmetic Act, or conviction of an offense under
7 the laws of another jurisdiction, which, if committed in
8 Pennsylvania, would be a felony under The Controlled Substance,
9 Drug, Device and Cosmetic Act. Automatic suspension under this
10 subsection shall not be stayed pending an appeal of a
11 conviction. Restoration of the license shall be made as provided
12 in this act in the case of revocation or suspension of a
13 license.

14 (c) Suspension and revocation.--The board shall suspend or
15 revoke a license if the licensee after a hearing is determined
16 to be unable to practice the profession with reasonable skill by
17 reason of illness, addiction to drugs or alcohol, having been
18 convicted of a felonious act prohibited by The Controlled
19 Substance, Drug, Device and Cosmetic Act, or convicted of a
20 felony relating to a controlled substance in a court of law of
21 the United States or any other state, territory, possession or
22 country, or if the licensee is or becomes mentally incompetent.
23 In enforcing this subsection, the board shall, upon probable
24 cause, have authority to compel a licensee to submit to a mental
25 or physical examination by a physician or a psychologist
26 approved by the board. Failure of a licensee to submit to the
27 examination when directed by the board, unless the failure is
28 due to circumstances beyond the licensee's control, shall
29 constitute an admission of the allegations against the licensee,
30 consequent upon which a default and final order may be entered

1 without the taking of testimony or presentation of evidence. A
2 licensee affected under this subsection shall at reasonable
3 intervals be afforded an opportunity to demonstrate that the
4 licensee can resume a competent practice.

5 (d) Notification; records.--An attorney responsible for
6 representing the Commonwealth in disciplinary matters before the
7 board shall notify the board immediately upon receiving
8 notification of an alleged violation of this act. The board
9 shall maintain current records of all reports of alleged
10 violations and periodically review the records for the purpose
11 of determining that each alleged violation has been resolved in a
12 timely manner.

13 Section 510. Reporting of multiple licensure.

14 A licensee of this Commonwealth who is also licensed to
15 engage in the practice of selling travel services in any other
16 state, territory or country shall report this information to the
17 board on the biennial renewal application. Disciplinary action
18 taken in other states, territories or countries shall be
19 reported to the board on the biennial renewal application or
20 within 30 days of final disposition, whichever is sooner.
21 Multiple licensure shall be noted by the board on the licensee's
22 record, and each state, territory or country shall be notified
23 by the board of any disciplinary action taken against the
24 licensee in this Commonwealth.

25 CHAPTER 7

26 VIOLATIONS AND ENFORCEMENT

27 Section 701. Penalties.

28 (a) Offense defined.--A person commits an offense if the
29 person:

30 (1) Engages in the practice of selling travel services

1 without being licensed and registered as required by this
2 act.

3 (2) Presents or attempts to use, as the individual's
4 own, the license of another.

5 (3) Gives any false or forged evidence of any kind to
6 the board, or to any member of the board, in order to obtain
7 a license as a travel agent.

8 (4) Uses any expired, suspended or revoked license.

9 (5) Otherwise violates this act.

10 (b) Grading.--

11 (1) An individual convicted of a first offense under
12 subsection (a) commits a summary offense and shall, upon
13 conviction, be sentenced to pay a fine of not more than
14 \$1,000 or to imprisonment for not more than three months, or
15 both.

16 (2) An individual convicted of a second or subsequent
17 offense under subsection (a) commits a misdemeanor of the
18 third degree and shall, upon conviction, be sentenced to pay
19 a fine of not less than \$2,000 but not more than \$5,000 or to
20 imprisonment for not less than one year but not more than two
21 years, or both.

22 (c) Additional penalty.--In addition to any other civil
23 remedy or criminal penalty provided for in this act, the board,
24 by a vote of the majority of the maximum number of the
25 authorized membership of the board as provided by law, or by a
26 vote of the majority of the qualified and confirmed membership
27 or a minimum of six members, whichever is greater, may levy a
28 civil penalty of up to \$1,000 on a licensee who violates any
29 provision of this act or on an individual who engages in the
30 practice of selling travel services without being properly

1 licensed. The board shall levy this penalty only after affording
2 the accused party the opportunity for a hearing in accordance
3 with 2 Pa.C.S. (relating to administrative law and procedure).

4 (d) Disposition of fines and civil penalties.--All fines and
5 civil penalties imposed in accordance with this section shall be
6 paid into the Professional Licensure Augmentation Account.

7 Section 702. Injunction against unlawful practice.

8 (a) Unlawful practice prohibited.--It is unlawful for an
9 individual to engage in the practice or attempt to offer to
10 engage in the practice of selling travel services as defined in
11 this act without having at the time a valid license.

12 (b) Injunction.--Engaging in the unlawful practice of
13 selling travel services as defined in this act may be enjoined
14 by the courts on petition of the board or the commissioner. In
15 an injunction proceeding, it is not necessary to show that a
16 person is individually injured by the actions complained of. If
17 the respondent is convicted of unlawfully engaging in the
18 practice of selling travel services, the court shall enjoin the
19 person from so practicing unless and until the person has been
20 licensed. Procedure in these cases shall be the same as in any
21 other injunction suit.

22 (c) Remedy cumulative.--The injunctive remedy is in addition
23 to any other civil or criminal prosecution and punishment.

24 Section 703. Investigative subpoena.

25 (a) Power to issue.--The board shall have the authority to
26 issue subpoenas, upon application of an attorney responsible for
27 representing the Commonwealth in disciplinary matters before the
28 board, for the purpose of investigating alleged violations of
29 the disciplinary provisions administered by the board. The board
30 shall have the power to subpoena witnesses, to administer oaths,

1 to examine witnesses and to take such testimony or compel the
2 production of such books, records, papers and documents as it
3 may deem necessary or proper in, and pertinent to, any
4 proceeding, investigation or hearing held or had by it.

5 (b) Client records.--Client records may not be subpoenaed
6 without consent of the client or without order of a court of
7 competent jurisdiction on a showing that the records are
8 reasonably necessary for the conduct of the investigation.

9 (c) Limitations.--The court may impose limitations on the
10 scope of the subpoenas as are necessary to prevent unnecessary
11 intrusion in client confidential information.

12 (d) Enforcement.--The board is authorized to apply to
13 Commonwealth Court to enforce its subpoenas.

14 Section 704. Practice of selling travel services without
15 license; title.

16 (a) Unlawful practice.--It is unlawful for an individual to
17 engage in the practice of selling travel services in this
18 Commonwealth unless the individual is licensed under this act as
19 a travel agent.

20 (b) Practice construed.--An individual shall be construed to
21 engage in the practice of selling travel services if the
22 individual:

23 (1) By verbal claim, sign, advertisement, letterhead,
24 card or in any other way represents himself to be a travel
25 agent.

26 (2) Uses some other title which implies that the
27 individual is a travel agent or that the individual is
28 licensed under this act.

29 (3) Purports to be able to engage in or does engage in
30 the practice of selling travel services.

1 (c) Title.--An individual who holds a license to engage in
2 the practice of selling travel services in this Commonwealth
3 shall have the right to use the title "licensed travel agent"
4 and the abbreviation "L.T.A." No other individual shall engage
5 in the practice of selling travel services or use the title
6 "licensed travel agent" or the abbreviation "L.T.A."

7 CHAPTER 9

8 ADMINISTRATION

9 Section 901. Fund established.

10 The Travel Agent Recovery Fund is established as a separate
11 fund in the State Treasury for the purposes set forth in this
12 act.

13 Section 902. Funding of fund.

14 (a) Fee.--A licensee entitled to the issuance of a license
15 or a licensee entitled to renew a license on or after a date
16 determined by the board through regulation, shall pay an
17 additional fee of \$25 which shall be paid and credited to the
18 Travel Agent Recovery Fund.

19 (b) Fund balance.--If at the commencement of any biennial
20 renewal period beginning in 2009 and thereafter, the balance of
21 the fund is less than \$500,000, the board may assess an
22 additional fee, in addition to the fee established by this
23 section, against each licensee in an amount not to exceed \$25,
24 which will yield revenues sufficient to bring the balance of the
25 fund to \$1,000,000.

26 (c) Disposition of fees.--Fees collected shall be deposited
27 in the fund and allocated solely for the purposes of the fund as
28 provided in this act. Moneys in the fund shall be invested and
29 interest shall accrue to the fund.

30 Section 903. Application for recovery from fund.

1 (a) General rule.--When an aggrieved party obtains a final
2 judgment in a court of competent jurisdiction against a licensee
3 upon grounds established in this act and which cause of action
4 occurred on or after the effective date of this act, the
5 aggrieved party may, upon termination of all proceedings,
6 including reviews and appeals, file an application in the court
7 in which the judgment was entered for an order directing payment
8 out of the fund of the amount unpaid upon the judgment.

9 (b) Requirements.--The aggrieved party shall be required to
10 show that:

11 (1) The party has obtained a final judgment.

12 (2) All reasonable personal acts, rights of discovery
13 and other remedies at law and in equity as exist have been
14 exhausted.

15 (3) The party is making the application no more than one
16 year after the termination of the proceedings, including
17 reviews and appeals in connection with the judgment.

18 (c) Settlement.--The board shall have the right to answer
19 actions provided for under this section, and subject to court
20 approval, it may compromise or settle a claim based upon the
21 application of the aggrieved party.

22 (d) Limitations.--When there is an order of the court to
23 make payment or a claim is otherwise to be levied against the
24 fund, the amount shall be paid to the claimant in accordance
25 with the limitations contained in this section. Notwithstanding
26 any other provisions of law to the contrary, the liability of
27 the fund shall not exceed \$3,000 for any one claim and shall not
28 exceed \$20,000 per licensee. If the \$20,000 liability of the
29 fund is insufficient to pay in full claims adjudicated valid of
30 all aggrieved parties against any one licensee, the \$20,000

1 shall be distributed among them in ratio to the respective
2 claims of the aggrieved parties bear to the aggregate of such
3 claims held valid. If, at any time, the money deposited into the
4 fund is insufficient to satisfy a duly authorized claim or
5 portion thereof, the board shall, when sufficient money has been
6 deposited in the fund, satisfy such unpaid claims or portions
7 thereof in the order that such claims or portions thereof were
8 originally filed, plus accumulated interest at the rate of 6% a
9 year.

10 (e) Joinder.--Upon petition of the board, the court may
11 require all claimants and prospective claimants against one
12 licensee to be joined in one action.

13 (f) Action against licensee.--If the board pays from the
14 fund any amount in settlement of a claim as provided for in this
15 act against a licensee:

16 (1) The license of that individual shall automatically
17 be suspended.

18 (2) The licensee shall not be reinstated until the
19 licensee has repaid in full to the board, plus interest at
20 the rate of 10% a year, the amount paid from the fund.

21 (3) The board shall have the right to petition the court
22 that entered the judgment against the licensee to enter a
23 judgment under this subsection, and, upon proof of the amount
24 paid by the fund, the court shall enter a judgment against
25 the licensee for that amount in favor of the board.

26 Section 904. Regulations.

27 Within two years of the effective date of this act, the board
28 shall promulgate regulations to carry out this act.

29 CHAPTER 21

30 MISCELLANEOUS PROVISIONS

1 Section 2101. Effective date.

2 This act shall take effect in 60 days.