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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 1000

Session of  
2003

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INTRODUCED BY FLICK, CIVERA, MARKOSEK, ARMSTRONG, ADOLPH, ALLEN, ARGALL, BAKER, BARD, BARRAR, BELFANTI, BENNINGHOFF, BOYD, BOYES, BROWNE, BUNT, BUXTON, CALTAGIRONE, CAPPELLI, CASORIO, CAUSER, CLYMER, COLEMAN, CORNELL, COSTA, COY, CRAHALLA, CREIGHTON, CURRY, DAILEY, DALEY, DALLY, DeLUCA, DeWEESE, D. EVANS, FAIRCHILD, FRANKEL, GEIST, GEORGE, GERGELY, GILLESPIE, GINGRICH, GODSHALL, HALUSKA, HANNA, HARHART, HARPER, HARRIS, HASAY, HENNESSEY, HERMAN, HERSHEY, HESS, HORSEY, HUTCHINSON, KENNEY, KOTIK, LaGROTTA, LAUGHLIN, LEACH, LEH, LEVDANSKY, LYNCH, MACKERETH, MAHER, MAJOR, MANDERINO, MANN, MARSICO, McGEEHAN, McILHATTAN, McILHINNEY, McNAUGHTON, METCALFE, R. MILLER, S. MILLER, MUNDY, NAILOR, NICKOL, O'NEILL, PAYNE, PETRI, PHILLIPS, PICKETT, PISTELLA, RAYMOND, READSHAW, REICHLEY, ROBERTS, ROHRER, ROSS, RUBLEY, SAINATO, SANTONI, SATHER, SAYLOR, SEMMEL, SHANER, SOLOBAY, STERN, R. STEVENSON, T. STEVENSON, STURLA, SURRA, TANGRETTI, E. Z. TAYLOR, THOMAS, TIGUE, TRAVAGLIO, TRUE, TURZAI, VEON, WANSACZ, WASHINGTON, WATSON, WILT, WRIGHT, YOUNGBLOOD, ZUG, KELLER, YEWCIC, LESCOVITZ, FEESE, MICOZZIE, SCRIMENTI, WEBER, BIANCUCCI, McCALL AND DENLINGER, APRIL 29, 2003

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SENATOR TOMLINSON, CONSUMER PROTECTION AND PROFESSIONAL  
LICENSURE, IN SENATE, AS AMENDED, OCTOBER 20, 2003

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AN ACT

1 Amending the act of February 19, 1980 (P.L.15, No.9), entitled  
2 "An act establishing the State Real Estate Commission and  
3 providing for the licensing of real estate brokers and  
4 salesmen," further providing for licensing requirements and  
5 penalties.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Section 201 of the act of February 19, 1980  
9 (P.L.15, No.9), known as the Real Estate Licensing and

1 Registration Act, is amended by adding definitions to read:

2 Section 201. Definitions.

3 The following words and phrases when used in this act shall  
4 have, unless the context clearly indicates otherwise, the  
5 meanings given to them in this section:

6 \* \* \*

7 "License." The term includes both a standard license and a  
8 reciprocal license.

9 "Licensee." A person who holds a standard license or a  
10 reciprocal license.

11 \* \* \*

12 "Reciprocal license." A license issued under section 602(a)  
13 through (e).

14 \* \* \*

15 "Standard license." Any license issued under this act that  
16 is not a reciprocal license.

17 \* \* \*

18 Section 1.1. Section 501(a) of the act, amended July 1, 1990  
19 (P.L.304, No.69), is amended to read:

20 Section 501. Reputation; inactive licensee; revoked license.

21 (a) Licenses shall be granted only to and renewed only for  
22 persons who bear a good reputation for honesty, trustworthiness,  
23 integrity and competence to transact the business of broker,  
24 salesperson, cemetery broker, cemetery salesperson, campground  
25 membership salesperson, time-share salesperson, builder-owner  
26 salesperson or rental listing referral agent, in such manner as  
27 to safeguard the interest of the public, and only after  
28 satisfactory proof of such qualifications has been presented to  
29 the commission as it shall by regulation require. An applicant  
30 for renewal of a reciprocal license shall provide evidence that

1 the applicant continues to hold a current license in the state  
2 where the applicant's principal place of business is located.

3 \* \* \*

4 Section 2. Section 601 of the act, amended June 29, 1990  
5 (P.L.246, No.58), is amended to read:

6 Section 601. Duty of brokers, cemetery brokers and rental  
7 listing referral agents to maintain office.

8 (a) Each [resident licensed] broker (which term in this  
9 section shall include cemetery broker) and rental listing  
10 referral agent who holds a standard license shall maintain a  
11 fixed office within this Commonwealth. The current license of  
12 such a rental listing referral agent or broker and of each  
13 licensee employed by such broker or rental listing referral  
14 agent shall be prominently displayed in an office of the broker  
15 or rental listing referral agent. The address of the office  
16 shall be designated on the current license. In case of removal  
17 of a broker's office from the designated location, all licensees  
18 registered at that location shall make application to the  
19 commission before such removal or within ten days thereafter,  
20 designating the new location of the office, and shall pay the  
21 required fees, whereupon the commission shall issue a current  
22 license at the new location for the unexpired period, if the new  
23 location complies with the terms of this act. Each [licensed]  
24 broker who holds a standard license shall maintain a sign on the  
25 outside of his office indicating the proper licensed brokerage  
26 name.

27 (b) If the applicant for a standard broker's license intends  
28 to maintain more than one place of business within the  
29 Commonwealth, he shall apply for and obtain an additional  
30 license in his name at each office. Every such application shall

1 state the location of such office. Each office shall be under  
2 the direction and supervision of a manager who is either the  
3 broker or an associate broker: Provided, however, That such  
4 broker or an associate broker may direct and supervise more than  
5 one office.

6 Section 3. Section 602 of the act, amended March 29, 1984  
7 (P.L.162, No.32), is amended to read:

8 Section 602. [Nonresident licensees.] Reciprocal licenses.

9 [Any nonresident of this Commonwealth who meets the  
10 equivalent experience requirements and other standards and  
11 qualifications, as the commission shall by rule provide, shall  
12 qualify for a license under this act.]

13 (a) Any person who holds a current license to provide real  
14 estate services issued by another state and whose principal  
15 place of business for the provision of those services is outside  
16 of this Commonwealth may be issued a reciprocal license under  
17 this act in accordance with this section. The reciprocal license  
18 shall be the type of license that the commission determines is  
19 most similar to the type of license issued by the other state.

20 (b) Obtaining a reciprocal license shall constitute  
21 sufficient contact with this Commonwealth for the exercise of  
22 personal jurisdiction by the commission and the courts of this  
23 Commonwealth over the licensee in any action or proceeding  
24 arising out of acts or omissions by the licensee:

25 (1) in this Commonwealth; or

26 (2) relating to an actual or proposed transaction  
27 involving real property located in this Commonwealth.

28 (c) The commission shall issue a reciprocal license upon THE <—  
29 FILING WITH THE COMMISSION OF AN APPLICATION AND THE receipt of:

30 (1) a duly certified copy of a current license issued to

1 the applicant by the state in which the principal place of  
2 business of the applicant is located, or a certified  
3 statement that the applicant holds a current license in that  
4 state, in either case sent to the commission by the  
5 appropriate licensing body in that state;

6 (2) a certified statement sent to the commission by that  
7 licensing body describing any discipline previously imposed <—  
8 on the applicant; and LICENSING BODY AS TO WHETHER THE <—  
9 APPLICANT HAS BEEN THE SUBJECT OF ANY DISCIPLINARY PROCEEDING  
10 AND THE DETAILS OF THOSE PROCEEDINGS; AND

11 (3) a verified statement from the applicant that:

12 (i) to the knowledge of the applicant, the applicant  
13 is not the subject of discipline or a current  
14 investigation or proceeding alleging misconduct under a  
15 licensing law or criminal law of either this Commonwealth  
16 or another jurisdiction; and <—

17 (ii) the applicant has reviewed and is familiar with  
18 this act and the rules and regulations of the commission  
19 and that the applicant agrees to be bound by this act and  
20 those rules and regulations; AND <—

21 (III) THE APPLICANT AGREES TO PERMIT THE DISCLOSURE  
22 TO THE COMMISSION OF THE RECORD IN ANY DISCIPLINARY  
23 PROCEEDING INVOLVING ALLEGED MISCONDUCT BY THE APPLICANT  
24 FROM ANY JURISDICTION IN WHICH THE APPLICANT IS OR HAS  
25 BEEN LICENSED.

26 (4) payment of a fee in the same amount as the fee  
27 required to be paid in connection with the issuance of a  
28 standard license of the same type; and

29 (5) a consent to service of process in a form prescribed  
30 by the rules and regulations of the commission.

1     (d) This section may be implemented by written reciprocal  
2     licensing agreements with the real estate licensing authorities  
3     of other states as follows:

4             (1) The commission may enter into such an agreement  
5             whenever the commission in its discretion determines that  
6             such an agreement is necessary or desirable to provide  
7             citizens of this Commonwealth with the opportunity to secure  
8             a license in the other state substantially comparable to the  
9             opportunity afforded to citizens of the other state by this  
10            section.

11            (2) It shall not be necessary for the commission to have  
12            entered into an agreement with a particular state in order  
13            for the commission to issue a reciprocal license under this  
14            section to an applicant from that state, subject to the  
15            restrictions in subsection (e).

16            ~~(3) A reciprocal license issued pursuant to an agreement~~ <—  
17            ~~with another state shall remain in force, unless suspended or~~  
18            ~~revoked by the commission for just cause or for failure to~~  
19            ~~pay the biennial renewal fee, only as long as the agreement~~  
20            ~~is in effect.~~

21            (e) Whenever the commission determines that another state  
22            does not offer reciprocal licensure opportunities to eitizens <—  
23            RESIDENTS of this Commonwealth that are substantially comparable <—  
24            to those afforded to eitizens RESIDENTS of that state by this <—  
25            section, the commission shall require applicants from that state  
26            who apply for a reciprocal license to meet education, experience  
27            and examination requirements substantially comparable to those  
28            required by that state with respect to eitizens RESIDENTS of <—  
29            this Commonwealth who seek reciprocal licensure in that state,  
30            except that any requirements imposed under this subsection shall

1 not exceed the requirements for obtaining a license under this  
2 act imposed on ~~citizens~~ RESIDENTS of this Commonwealth. <—

3 (f) The commission shall publish annually in the  
4 Pennsylvania Bulletin and make available both on request and via  
5 the Internet:

6 (1) a list of those states with which the commission has  
7 signed agreements under subsection (d), and a summary of the  
8 terms of each agreement; and

9 (2) a list of those states that the commission has  
10 identified under subsection (e) as not offering substantially  
11 comparable reciprocal licensure opportunities, and a  
12 description of the additional requirements the commission has  
13 determined are necessary to comply with that subsection.

14 (g) A person who holds a reciprocal license shall promptly  
15 notify the commission if the person's principal place of  
16 business for the provision of real estate services becomes  
17 located in this Commonwealth. Upon receipt of the notice by the  
18 commission, the person's reciprocal license shall be converted <—  
19 into a standard license without further action on the part of  
20 the licensee. NOT BE RENEWED AND THE PERSON SHALL BE REQUIRED TO <—  
21 OBTAIN A STANDARD LICENSE.

22 (h) A reciprocal license shall be equivalent to LICENSEE <—  
23 SHALL HAVE THE SAME RIGHTS AND RESPONSIBILITIES AS IF THE PERSON  
24 HELD a standard license, except that a person holding a  
25 reciprocal license:

26 (1) shall not be eligible to be a member of the  
27 commission; and <—

28 (2) shall be exempt from the requirements of sections  
29 404.1, 501(b) and ~~513.~~, 513 AND 533; AND <—

30 (3) SHALL BE EXEMPT FROM TAKING AND PASSING THE

1       EXAMINATION REQUIRED FOR STANDARD LICENSES.

2       (i) An associate broker, salesperson, campground membership  
3 salesperson or time-share salesperson holding a reciprocal  
4 license shall not conduct business in this Commonwealth except  
5 in affiliation with a broker holding either a standard or a  
6 reciprocal license.

7       (j) If the applicant for a reciprocal broker's license is a  
8 corporation, partnership or association, the applicant must  
9 designate in its application a broker of record who is an  
10 individual holding a current reciprocal or standard broker's  
11 license.

12       Section 4. Section 604(a) of the act is amended by adding  
13 paragraphs to read:

14       Section 604. Prohibited acts.

15       (a) The commission may upon its own motion, and shall  
16 promptly upon the verified complaint in writing of any person  
17 setting forth a complaint under this section, ascertain the  
18 facts and, if warranted, hold a hearing for the suspension or  
19 revocation of a license or registration certificate or for the  
20 imposition of fines not exceeding \$1,000, or both. The  
21 commission shall have power to refuse a license or registration  
22 certificate for cause or to suspend or revoke a license or  
23 registration certificate or to levy fines up to \$1,000, or both,  
24 where the said license has been obtained by false  
25 representation, or by fraudulent act or conduct, or where a  
26 licensee or registrant, in performing or attempting to perform  
27 any of the acts mentioned herein, is found guilty of:

28       \* \* \*

29       (29) Violating section 602.

30       (30) Having been disciplined under a real estate



1     licensing law of another jurisdiction, including, but not  
2     limited to, having a license suspended or revoked, a fine or  
3     penalty imposed, or being censured or reprimanded publicly or  
4     privately; except that the commission shall not have the  
5     authority to levy a fine solely on the basis of this  
6     paragraph.

7     \* \* \*

8     Section 5. This act shall take effect in 60 days.