

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 430 Session of
1989

INTRODUCED BY GREENLEAF, AFFLERBACH AND ANDREZESKI,
FEBRUARY 6, 1989

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 12, 1990

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 the broker's disclosures to
5 the buyer, TIMESHARES, CAMPGROUND MEMBERSHIPS AND PROHIBITED <—
6 ACTS.

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

9 ~~Section 1. Sections 606, 607 and 608 of the act of February <—~~
10 ~~19, 1980 (P.L.15, No.9), known as the Real Estate Licensing and~~
11 ~~Registration Act, added March 29, 1984 (P.L.162, No.32), are~~
12 ~~amended to read:~~

13 SECTION 1. THE DEFINITION OF "TIME SHARE" IN SECTION 201 OF <—
14 THE ACT OF FEBRUARY 19, 1980 (P.L.15, NO.9), KNOWN AS THE REAL
15 ESTATE LICENSING AND REGISTRATION ACT, ADDED MARCH 29, 1984
16 (P.L.162, NO.32), IS AMENDED AND THE SECTION IS AMENDED BY
17 ADDING DEFINITIONS TO READ:

18 SECTION 201. DEFINITIONS.

19 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL

1 HAVE, UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE, THE
2 MEANINGS GIVEN TO THEM IN THIS SECTION:

3 * * *

4 "CAMPGROUND MEMBERSHIP." AN INTEREST, OTHER THAN IN FEE
5 SIMPLE OR BY LEASE, WHICH GIVES THE PURCHASER THE RIGHT TO USE A
6 UNIT OF REAL PROPERTY FOR THE PURPOSE OF LOCATING A RECREATIONAL
7 VEHICLE, TRAILER, TENT, TENT TRAILER, PICKUP CAMPER OR OTHER
8 SIMILAR DEVICE ON A PERIODIC BASIS PURSUANT TO A MEMBERSHIP
9 CONTRACT ALLOCATING USE AND OCCUPANCY RIGHTS BETWEEN OTHER
10 SIMILAR USERS.

11 "CAMPGROUND MEMBERSHIP SALESPERSON." A PERSON WHO EITHER AS
12 AN EMPLOYEE OR AN INDEPENDENT CONTRACTOR SELLS OR OFFERS TO SELL
13 CAMPGROUND MEMBERSHIPS. SUCH PERSON SHALL SELL CAMPGROUND
14 MEMBERSHIPS UNDER THE ACTIVE SUPERVISION OF A BROKER. A PERSON
15 LICENSED AS A BROKER, AS A SALESPERSON, OR AS A TIME-SHARE
16 SALESPERSON SHALL NOT BE REQUIRED TO BE LICENSED AS A CAMPGROUND
17 MEMBERSHIP SALESPERSON AS A CONDITION FOR SELLING OR OFFERING TO
18 SELL CAMPGROUND MEMBERSHIPS.

19 * * *

20 "TIME SHARE." THE RIGHT, HOWEVER EVIDENCED OR DOCUMENTED, TO
21 USE OR OCCUPY [A DWELLING UNIT HELD IN FEE SIMPLE OR BY LEASE]
22 ONE OR MORE UNITS ON A PERIODIC BASIS ACCORDING TO AN
23 ARRANGEMENT ALLOCATING USE AND OCCUPANCY RIGHTS OF THAT UNIT OR
24 THOSE UNITS BETWEEN OTHER SIMILAR USERS. AS USED IN THIS
25 DEFINITION, THE TERM "UNIT" IS A BUILDING OR PORTION THEREOF
26 PERMANENTLY AFFIXED TO REAL PROPERTY AND DESIGNATED FOR SEPARATE
27 OCCUPANCY OR A CAMPGROUND OR PORTION THEREOF DESIGNATED FOR
28 SEPARATE OCCUPANCY. THE PHRASE "TIME SHARE" DOES NOT INCLUDE
29 CAMPGROUND MEMBERSHIP.

30 "TIME-SHARE SALESPERSON." A PERSON WHO EITHER AS AN EMPLOYEE

1 OR INDEPENDENT CONTRACTOR SELLS OR OFFERS TO SELL TIME SHARES.
2 SUCH PERSON SHALL SELL TIME SHARES UNDER THE ACTIVE SUPERVISION
3 OF A BROKER. A PERSON LICENSED AS A BROKER OR AS A SALESPERSON
4 SHALL NOT BE REQUIRED TO BE LICENSED AS A TIME-SHARE SALESPERSON
5 AS A CONDITION FOR SELLING OR OFFERING TO SELL TIME SHARES.

6 SECTION 2. SECTION 301 OF THE ACT, AMENDED MARCH 29, 1984
7 (P.L.162, NO.32), IS AMENDED TO READ:

8 SECTION 301. UNLAWFUL TO CONDUCT BUSINESS WITHOUT LICENSE OR
9 REGISTRATION CERTIFICATE.

10 IT SHALL BE UNLAWFUL FOR ANY PERSON, DIRECTLY OR INDIRECTLY,
11 TO ENGAGE IN OR CONDUCT, OR TO ADVERTISE OR HOLD HIMSELF OUT AS
12 ENGAGING IN OR CONDUCTING THE BUSINESS, OR ACTING IN THE
13 CAPACITY OF A BROKER OR SALESPERSON, LIMITED BROKER, LIMITED
14 SALESPERSON, CAMPGROUND MEMBERSHIP SALESPERSON, TIME-SHARE
15 SALESPERSON, BUILDER-OWNER SALESPERSON, RENTAL LISTING REFERRAL
16 AGENT OR CEMETERY COMPANY WITHIN THIS COMMONWEALTH WITHOUT FIRST
17 BEING LICENSED OR REGISTERED AS PROVIDED IN THIS ACT, UNLESS HE
18 IS EXEMPTED FROM OBTAINING A LICENSE OR REGISTRATION CERTIFICATE
19 UNDER THE PROVISIONS OF SECTION 304.

20 SECTION 3. SECTION 302 OF THE ACT IS AMENDED TO READ:

21 SECTION 302. CIVIL SUITS.

22 NO ACTION OR SUIT SHALL BE INSTITUTED, NOR RECOVERY BE HAD,
23 IN ANY COURT OF THIS COMMONWEALTH BY ANY PERSON FOR COMPENSATION
24 FOR ANY ACT DONE OR SERVICE RENDERED, THE DOING OR RENDERING OF
25 WHICH IS PROHIBITED UNDER THE PROVISIONS OF THIS ACT BY A PERSON
26 OTHER THAN A LICENSED BROKER, SALESPERSON, LIMITED BROKER,
27 LIMITED SALESPERSON, CAMPGROUND MEMBERSHIP SALESPERSON, TIME-
28 SHARE SALESPERSON, BUILDER-OWNER SALESPERSON OR RENTAL LISTING
29 REFERRAL AGENT, UNLESS SUCH PERSON WAS DULY LICENSED AND
30 REGISTERED HEREUNDER AS BROKER OR SALESPERSON AT THE TIME OF

1 OFFERING TO PERFORM ANY SUCH ACT OR SERVICE OR PROCURING ANY
2 PROMISE OR CONTRACT FOR THE PAYMENT OF COMPENSATION FOR ANY SUCH
3 CONTEMPLATED ACT OR SERVICE.

4 SECTION 4. SECTION 303 OF THE ACT, AMENDED MARCH 29, 1984
5 (P.L.162, NO.32), IS AMENDED TO READ:

6 SECTION 303. CRIMINAL PENALTIES.

7 ANY PERSON WHO SHALL ENGAGE IN OR CARRY ON THE BUSINESS, OR
8 ACT IN THE CAPACITY OF A BROKER, SALESPERSON, LIMITED BROKER,
9 LIMITED SALESPERSON, CAMPGROUND MEMBERSHIP SALESPERSON, TIME-
10 SHARE SALESPERSON, BUILDER-OWNER SALESPERSON, RENTAL LISTING
11 REFERRAL AGENT OR CEMETERY COMPANY, WITHIN THIS COMMONWEALTH,
12 WITHOUT A LICENSE OR REGISTRATION CERTIFICATE, OR SHALL CARRY ON
13 OR CONTINUE BUSINESS AFTER THE SUSPENSION OR REVOCATION OF ANY
14 SUCH LICENSE OR REGISTRATION CERTIFICATE ISSUED TO HIM, OR SHALL
15 EMPLOY ANY PERSON AS A SALESPERSON OR LIMITED SALESPERSON TO
16 WHOM A LICENSE HAS NOT BEEN ISSUED, OR WHOSE LICENSE OR
17 REGISTRATION CERTIFICATE AS SUCH SHALL HAVE BEEN REVOKED OR
18 SUSPENDED, SHALL BE GUILTY OF A SUMMARY OFFENSE AND UPON
19 CONVICTION THEREOF FOR A FIRST OFFENSE SHALL BE SENTENCED TO PAY
20 A FINE NOT EXCEEDING \$500 OR SUFFER IMPRISONMENT, NOT EXCEEDING
21 THREE MONTHS, OR BOTH AND FOR A SECOND OR SUBSEQUENT OFFENSE
22 SHALL BE GUILTY OF A FELONY OF THE THIRD DEGREE AND UPON
23 CONVICTION THEREOF, SHALL BE SENTENCED TO PAY A FINE OF NOT LESS
24 THAN \$2,000 BUT NOT MORE THAN \$5,000 OR TO IMPRISONMENT FOR NOT
25 LESS THAN ONE YEAR BUT NOT MORE THAN TWO YEARS, OR BOTH.

26 SECTION 5. SECTION 406 OF THE ACT, AMENDED MARCH 7, 1982
27 (P.L.158, NO.50), IS AMENDED TO READ:

28 SECTION 406. ADMINISTRATION AND ENFORCEMENT.

29 THE COMMISSION SHALL HAVE THE POWER AND ITS DUTY SHALL BE TO
30 ADMINISTER AND ENFORCE THE LAWS OF THE COMMONWEALTH RELATING TO:

(1) THOSE ACTIVITIES INVOLVING REAL ESTATE FOR WHICH
LICENSING IS REQUIRED UNDER THIS ACT AND TO INSTRUCT AND
REQUIRE ITS AGENTS TO BRING PROSECUTIONS FOR UNAUTHORIZED AND
UNLAWFUL PRACTICE.

(2) THOSE ACTIVITIES INVOLVING CEMETERIES AND CEMETERY
COMPANIES FOR WHICH REGISTRATION IS REQUIRED UNDER THIS ACT
AND TO INSTRUCT AND REQUIRE ITS AGENTS TO BRING PROSECUTIONS
FOR UNAUTHORIZED OR UNLAWFUL ACTIVITIES.

(3) THOSE ACTIVITIES INVOLVING CAMPGROUND MEMBERSHIPS
FOR WHICH LICENSING IS REQUIRED UNDER THIS ACT AND TO
INSTRUCT AND REQUIRE ITS AGENTS TO BRING PROSECUTIONS FOR
UNAUTHORIZED OR UNLAWFUL ACTIVITIES.

SECTION 6. SECTION 501(A) OF THE ACT, AMENDED MARCH 29, 1984
(P.L.162, NO.32), IS AMENDED TO READ:

SECTION 501. REPUTATION; INACTIVE LICENSEE; REVOKED LICENSE.

(A) LICENSES SHALL BE GRANTED ONLY TO AND RENEWED ONLY FOR
PERSONS WHO BEAR A GOOD REPUTATION FOR HONESTY, TRUSTWORTHINESS,
INTEGRITY AND COMPETENCE TO TRANSACT THE BUSINESS OF BROKER,
SALESPERSON, LIMITED BROKER, LIMITED SALESPERSON, CAMPGROUND
MEMBERSHIP SALESPERSON, TIME-SHARE SALESPERSON, BUILDER-OWNER
SALESPERSON OR RENTAL LISTING REFERRAL AGENT, IN SUCH MANNER AS
TO SAFEGUARD THE INTEREST OF THE PUBLIC, AND ONLY AFTER
SATISFACTORY PROOF OF SUCH QUALIFICATIONS HAS BEEN PRESENTED TO
THE COMMISSION AS IT SHALL BY REGULATION REQUIRE.

* * *

SECTION 7. CHAPTER 5 OF THE ACT IS AMENDED BY ADDING
SUBCHAPTERS TO READ:

CHAPTER 5

QUALIFICATIONS AND APPLICATIONS FOR LICENSES

AND REGISTRATION CERTIFICATES

* * *

SUBCHAPTER I

CAMPGROUND MEMBERSHIP SALESPERSON'S LICENSE

SECTION 581. QUALIFICATIONS FOR LICENSE.

(A) THE APPLICANT FOR A CAMPGROUND SALESPERSON'S LICENSE SHALL BE AT LEAST 18 YEARS OF AGE.

(B) THE APPLICANT SHALL HAVE SUCCESSFULLY COMPLETED 15 HOURS IN THE FOLLOWING AREAS OF STUDY:

(1) BASIC CONTRACT LAW.

(2) SALES PRACTICES AND PROCEDURES.

(3) SALES ETHICS.

(4) BASIC THEORY OF CAMPGROUND MEMBERSHIPS.

(C) THE APPLICANT SHALL UNDERGO NOT LESS THAN 30 DAYS OF ONSITE TRAINING AT A CAMPGROUND MEMBERSHIP FACILITY.

SECTION 582. APPLICATION FOR LICENSE.

(A) AN APPLICATION FOR A LICENSE AS A CAMPGROUND MEMBERSHIP SALESPERSON SHALL BE MADE IN WRITING TO THE DEPARTMENT UPON A FORM PROVIDED FOR THE PURPOSE BY THE DEPARTMENT AND SHALL CONTAIN SUCH INFORMATION AS TO THE APPLICANT AS THE COMMISSION SHALL REQUIRE.

(B) THE APPLICANT FOR A LICENSE SHALL SUBMIT A SWORN AFFIDAVIT BY A BROKER CERTIFYING THAT THE BROKER WILL ACTIVELY SUPERVISE AND TRAIN THE APPLICANT AND CERTIFYING THE TRUTH AND ACCURACY OF THE CERTIFICATION OF THE APPLICANT.

(C) A LICENSE SHALL BE RENEWED BIENNIALY.

(D) THE COMMISSION SHALL ESTABLISH AN APPLICATION FEE AND A BIENNIAL RENEWAL FEE BY REGULATION.

SUBCHAPTER J

TIME-SHARE SALESPERSON'S LICENSE

SECTION 591. QUALIFICATIONS FOR LICENSE.

1 (A) THE APPLICANT FOR A TIME-SHARE SALESPERSON'S LICENSE
2 SHALL BE AT LEAST 18 YEARS OF AGE.

3 (B) THE APPLICANT SHALL HAVE SUCCESSFULLY COMPLETED 30 HOURS
4 OF INSTRUCTION IN THE FOLLOWING AREAS OF STUDY:

5 (1) BASIC CONTRACT LAW.

6 (2) SALES PRACTICES AND PROCEDURES.

7 (3) SALES ETHICS.

8 (4) BASIC THEORY OF RESORT TIME SHARING.

9 (C) THE APPLICANT SHALL UNDERGO NOT LESS THAN 30 DAYS OF
10 ONSITE TRAINING AT A TIME-SHARE FACILITY.

11 SECTION 592. APPLICATION FOR LICENSE.

12 (A) AN APPLICATION FOR A LICENSE AS A TIME-SHARE SALESPERSON
13 SHALL BE MADE IN WRITING TO THE DEPARTMENT UPON A FORM PROVIDED
14 FOR THE PURPOSE BY THE DEPARTMENT AND SHALL CONTAIN SUCH
15 INFORMATION AS TO THE APPLICANT AS THE COMMISSION SHALL REQUIRE.

16 (B) THE APPLICANT SHALL SUBMIT A SWORN STATEMENT BY A BROKER
17 CERTIFYING THAT THE BROKER WILL ACTIVELY SUPERVISE AND TRAIN THE
18 APPLICANT AND CERTIFYING THE TRUTH AND ACCURACY OF THE
19 CERTIFICATION OF THE APPLICANT.

20 (C) A LICENSE SHALL BE RENEWED BIENNIALY.

21 (D) THE COMMISSION SHALL ESTABLISH AN APPLICATION FEE AND A
22 BIENNIAL RENEWAL FEE BY REGULATION.

23 SECTION 8. SECTION 603 OF THE ACT, AMENDED MARCH 29, 1984
24 (P.L.162, NO.32), IS AMENDED TO READ:

25 SECTION 603. EMPLOYMENT OF ASSOCIATE BROKERS, SALESPERSON.

26 (A) NO ASSOCIATE BROKER OR SALESPERSON (WHICH TERM IN THIS
27 SECTION SHALL INCLUDE LIMITED SALESPERSON) SHALL BE EMPLOYED BY
28 ANY OTHER BROKER THAN IS DESIGNATED UPON THE CURRENT LICENSE
29 ISSUED TO SAID ASSOCIATE BROKER OR SAID SALESPERSON. WHENEVER A
30 LICENSED SALESPERSON OR ASSOCIATE BROKER DESIRES TO CHANGE HIS

1 EMPLOYMENT FROM ONE LICENSED BROKER TO ANOTHER, HE SHALL NOTIFY
2 THE COMMISSION IN WRITING NO LATER THAN TEN DAYS AFTER THE
3 INTENDED DATE OF CHANGE, PAY THE REQUIRED FEE, AND RETURN HIS
4 CURRENT LICENSE. THE COMMISSION, SHALL, UPON RECEIPT OF
5 ACKNOWLEDGMENT FROM THE NEW BROKER OF THE CHANGE OF EMPLOYMENT
6 ISSUE A NEW LICENSE. IN THE INTERIM AT SUCH TIME AS THE CHANGE
7 IN AFFILIATION OF THE SALESPERSON OR ASSOCIATE BROKER OCCURS, HE
8 SHALL MAINTAIN A COPY OF THE NOTIFICATION SENT TO THE COMMISSION
9 AS HIS TEMPORARY LICENSE PENDING RECEIPT OF HIS NEW CURRENT
10 LICENSE. IT SHALL BE THE DUTY OF THE APPLICANT TO NOTIFY THE
11 COMMISSION IF A NEW LICENSE OR OTHER PERTINENT COMMUNICATION IS
12 NOT RECEIVED FROM THE COMMISSION WITHIN 30 DAYS.

13 (B) NO CAMPGROUND MEMBERSHIP SALESPERSON OR TIME-SHARE
14 SALESPERSON SHALL BE SUPERVISED BY ANY OTHER BROKER THAN IS
15 DESIGNATED UPON THE CURRENT LICENSE ISSUED TO SUCH SALESPERSON.
16 WHENEVER A CAMPGROUND MEMBERSHIP SALESPERSON OR A TIME-SHARE
17 SALESPERSON DESIRES TO BE SUPERVISED BY A DIFFERENT BROKER, SUCH
18 LICENSEE AND THE COMMISSION SHALL FOLLOW THE PROCEDURE SPECIFIED
19 IN SUBSECTION (A) FOR REAL ESTATE SALESPERSONS.

20 SECTION 9. SECTION 604(A)(18) OF THE ACT, AMENDED MARCH 29,
21 1984 (P.L.162, NO.32), IS AMENDED AND THE SUBSECTION IS AMENDED
22 BY ADDING PARAGRAPHS TO READ:

23 SECTION 604. PROHIBITED ACTS.

24 (A) THE COMMISSION MAY UPON ITS OWN MOTION, AND SHALL
25 PROMPTLY UPON THE VERIFIED COMPLAINT IN WRITING OF ANY PERSON
26 SETTING FORTH A COMPLAINT UNDER THIS SECTION, ASCERTAIN THE
27 FACTS AND, IF WARRANTED, HOLD A HEARING FOR THE SUSPENSION OR
28 REVOCATION OF A LICENSE OR REGISTRATION CERTIFICATE OR FOR THE
29 IMPOSITION OF FINES NOT EXCEEDING \$1,000, OR BOTH. THE
30 COMMISSION SHALL HAVE POWER TO REFUSE A LICENSE OR REGISTRATION

1 CERTIFICATE FOR CAUSE OR TO SUSPEND OR REVOKE A LICENSE OR
2 REGISTRATION CERTIFICATE OR TO LEVY FINES UP TO \$1,000, OR BOTH,
3 WHERE THE SAID LICENSE HAS BEEN OBTAINED BY FALSE
4 REPRESENTATION, OR BY FRAUDULENT ACT OR CONDUCT, OR WHERE A
5 LICENSEE OR REGISTRANT, IN PERFORMING OR ATTEMPTING TO PERFORM
6 ANY OF THE ACTS MENTIONED HEREIN, IS FOUND GUILTY OF:

7 * * *

8 (18) SOLICITING, SELLING OR OFFERING FOR SALE REAL
9 PROPERTY BY OFFERING FREE LOTS, OR CONDUCTING LOTTERIES OR
10 CONTESTS OR OFFERING PRIZES FOR THE PURPOSE OF INFLUENCING BY
11 DECEPTIVE CONDUCT ANY PURCHASER OR PROSPECTIVE PURCHASER OF
12 REAL PROPERTY. THE COMMISSION SHALL PROMULGATE NECESSARY
13 RULES AND REGULATIONS TO PROVIDE STANDARDS FOR NONDECEPTION
14 CONDUCT UNDER THIS PARAGRAPH.

15 (I) ANY OFFERING BY MAIL OR BY TELEPHONE OF ANY
16 PRIZE, GIFT, AWARD OR BONUS IN RELATION TO THE OFFERING
17 OF SALE OF REAL PROPERTY, INCLUDING TIME SHARING, SHALL
18 BE ACCOMPANIED BY A STATEMENT OF THE FAIR MARKET VALUE,
19 NOT SUGGESTED RETAIL PRICE, OF ALL PRIZES OFFERED, PLUS A
20 STATEMENT OF THE ODDS OF RECEIVING ANY SUCH PRIZE. IF THE
21 OFFERING IS BY MAIL THE STATEMENT OF VALUE AND ODDS SHALL
22 BE PRINTED IN [THE SAME SIZE TYPE AS THE PRIZE
23 DESCRIPTION AND SHALL APPEAR IMMEDIATELY ADJACENT TO SAID
24 DESCRIPTION.] A CLEAR AND CONSPICUOUS MANNER.

25 (II) IF A PRIZE IS TO BE AWARDED AS A REBATE, COUPON
26 OR DISCOUNT CERTIFICATE, A STATEMENT OF THAT FACT SHALL
27 BE INCLUDED. AN OFFERING BY MAIL SHALL INCLUDE A
28 STATEMENT OF ANY FEES AND THE MAXIMUM AMOUNT OF EACH
29 WHICH THE PRIZEWINNER MUST PAY IN ORDER TO RECEIVE THE
30 PRIZE. SUCH FEES SHALL INCLUDE, BUT NOT BE LIMITED TO,

1 DEALER PREPARATION, SHIPPING, HANDLING, REDEMPTION AND
2 SHIPPING INSURANCE. EACH FEE ASSOCIATED WITH A PRIZE, AND
3 THE ODDS OF RECEIVING THE PRIZE SHALL APPEAR IN A CLEAR
4 AND CONSPICUOUS MANNER ON ANY OFFERING BY MAIL.

5 (III) AN OFFERING BY MAIL SHALL BE WRITTEN IN A
6 CLEAR AND COHERENT MANNER, USING COMMON USAGES OF WORDS
7 AND TERMS. A CONCISE DESCRIPTION OF THE REAL PROPERTY OR
8 INTEREST BEING PROMOTED SHALL APPEAR IN ANY OFFERING AND
9 SHALL INCLUDE A STATEMENT THAT THE INTEREST IS A TIME
10 SHARE, WHERE APPLICABLE. IF THE PROSPECTIVE PRIZEWINNER
11 MUST PERSONALLY VISIT AND INSPECT THE REAL PROPERTY OR
12 INTEREST BEING PROMOTED AND LISTEN TO A SALES
13 PRESENTATION IN ORDER TO WIN A PRIZE, THE OFFERING SHALL
14 INCLUDE A STATEMENT OF THAT FACT. AN OFFERING MAY INCLUDE
15 INSTRUCTIONS FOR A RECIPIENT TO CONTACT A CERTAIN
16 TELEPHONE NUMBER WITHIN A SPECIFIED TIME PERIOD OR BY A
17 SPECIFIED DATE, IF THE OFFEROR IDENTIFIES THE BUSINESS
18 ENTITY AND ITS RELATIONSHIP TO THE OFFEROR AND COMPLIES
19 WITH THIS PARAGRAPH.

20 (IV) SUBSTITUTIONS OF PRIZES HAVING EQUAL OR GREATER
21 FAIR MARKET VALUE MAY BE MADE IF THE OFFEROR COMPLIES
22 WITH THIS PARAGRAPH.

23 (V) AS USED IN THIS PARAGRAPH, THE TERM "PRIZE"
24 INCLUDES, BUT IS NOT LIMITED TO, MONEY, PERSONAL
25 PROPERTY, VACATIONS, TRAVEL CERTIFICATES, MOTOR VEHICLES
26 AND APPLIANCES.

27 * * *

28 (26) IN THE CASE OF A BROKER LICENSEE, FAILING TO
29 EXERCISE ADEQUATE SUPERVISION OVER THE ACTIVITIES OF A
30 CAMPGROUND MEMBERSHIP SALESPERSON OR A TIME-SHARE SALESPERSON

1 WITHIN THE SCOPE OF THIS ACT.

2 (27) FAILURE OF A BROKER, CAMPGROUND MEMBERSHIP
3 SALESPERSON, OR TIME-SHARE SALESPERSON TO COMPLY WITH THE
4 REQUIREMENTS OF PARAGRAPH (5), OR SUCH ALTERNATIVE
5 REQUIREMENTS ESTABLISHED BY THE RULES OF THE COMMISSION, IN
6 CONNECTION WITH DEPOSITS OR OTHER MONEYS RECEIVED BY THE
7 BROKER, CAMPGROUND MEMBERSHIP SALESPERSON, OR TIME-SHARE
8 SALESPERSON IN CONJUNCTION WITH THE SALE OF A CAMPGROUND
9 MEMBERSHIP OR A TIME SHARE.

10 * * *

11 SECTION 10. SECTIONS 606, 607 AND 608 OF THE ACT, ADDED
12 MARCH 29, 1984 (P.L.162, NO.32), ARE AMENDED TO READ:

13 Section 606. Broker's disclosure to seller.

14 In any listing agreement or contract of agency, the broker
15 shall make the following disclosures to any seller of real
16 property:

17 (1) A statement that the broker's commission and the
18 time period of the listing [are negotiable.] have been
19 determined as a result of negotiations between the broker and
20 the seller.

21 (2) A statement describing the purpose of the Real
22 Estate Recovery Fund established under section 801 and the
23 telephone number of the commission at which the seller can
24 receive further information about the fund.

25 Section 607. Broker's disclosure to buyer.

26 In any sales agreement or sales contract, a broker shall make
27 the following disclosures to any prospective buyer of real
28 property:

29 (1) A statement that the broker is the agent of the
30 seller[, not the buyer.] or that the broker is the agent of

1 the buyer.

2 (2) A statement describing the purpose of the Real
3 Estate Recovery Fund established under section 801 and the
4 telephone number of the commission at which the purchaser can
5 receive further information about the fund.

6 (3) A statement of the zoning classification of the
7 property except [for single-family dwellings. Failure of any
8 sales agreement or sales contract to contain a statement of
9 the zoning classification of the property] in cases where the
10 property (or each parcel thereof, if subdividable) is zoned
11 solely or primarily to permit single-family dwellings.

12 Failure to comply with this requirement shall render the
13 sales agreement or sales contract [null and void and]
14 voidable at the option of the buyer, and, if voided, any
15 deposits tendered by the buyer shall be returned to the buyer
16 without any requirement for any court action.

17 (4) A STATEMENT THAT ACCESS TO A PUBLIC ROAD MAY REQUIRE <—
18 ISSUANCE OF A HIGHWAY OCCUPANCY PERMIT FROM THE DEPARTMENT OF
19 TRANSPORTATION.

20 Section 608. Information to be given at initial interview.

21 The commission shall establish rules or regulations which
22 shall set forth the manner and method of disclosure of
23 information to the prospective buyer or seller during the
24 initial interview. Such disclosure shall include, but shall not
25 be limited to:

26 (1) A statement that the broker is the agent of the
27 seller or that the broker is the agent of the buyer.

28 (2) The purpose of the Real Estate Recovery Fund and the
29 telephone number of the commission at which further
30 information about the fund may be obtained.

1 (3) A statement that the duration of the listing
2 agreement or contract and the broker's commission are
3 negotiable.

4 (4) A statement that any sales agreement must contain
5 the zoning classification of a property except in cases where
6 the property (or each parcel thereof, if subdividable) is
7 zoned solely or primarily to permit single-family dwellings.

8 ~~Section 2. This act shall take effect immediately.~~ <—

9 SECTION 11. SECTION 702 OF THE ACT IS AMENDED BY ADDING A <—

10 SUBSECTION TO READ:

11 SECTION 702. IMPUTED KNOWLEDGE, LIMITATIONS.

12 * * *

13 (D) NO VIOLATION OF ANY OF THE PROVISIONS OF THIS ACT ON THE
14 PART OF ANY CAMPGROUND MEMBERSHIP SALESPERSON OR TIME-SHARE
15 SALESPERSON SHALL BE GROUNDS FOR THE REVOCATION OR SUSPENSION OF
16 THE LICENSE OF THE BROKER RESPONSIBLE FOR SUPERVISING SUCH
17 SALESPERSON UNLESS IT SHALL APPEAR UPON THE HEARINGS HELD THAT
18 SUCH BROKER HAD ACTUAL KNOWLEDGE OF SUCH VIOLATION. A COURSE OF
19 DEALING SHOWN TO HAVE BEEN FOLLOWED BY SUCH SALESPERSON SHALL
20 CONSTITUTE PRIMA FACIE EVIDENCE OF SUCH KNOWLEDGE UPON THE PART
21 OF SUCH BROKER.

22 SECTION 12. SECTION 801 OF THE ACT IS AMENDED TO READ:

23 SECTION 801. ESTABLISHMENT OF THE FUND.

24 (A) THERE IS HEREBY ESTABLISHED THE REAL ESTATE RECOVERY
25 FUND FOR THE PURPOSES HEREINAFTER SET FORTH IN THIS ACT.

26 (B) THE REAL ESTATE RECOVERY FUND SHALL NOT APPLY TO THE
27 SALE OF, OR THE OFFER TO SELL, A CAMPGROUND MEMBERSHIP OR TO A
28 CAMPGROUND MEMBERSHIP SALESPERSON.

29 SECTION 13. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

30 (1) SECTION 2 (SECTION 301) SHALL TAKE EFFECT IN ONE

1 YEAR.

2 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60

3 DAYS.