

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1000 Session of
2003

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 AND FEESE, APRIL 29, 2003

REFERRED TO COMMITTEE ON PROFESSIONAL LICENSURE, APRIL 29, 2003

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

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

11 Section 201. Definitions.

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

4 * * *

5 "License." The term includes both a standard license and a
6 reciprocal license.

7 "Licensee." A person who holds a standard license or a
8 reciprocal license.

9 * * *

10 "Reciprocal license." A license issued under section 602(a)
11 through (e).

12 * * *

13 "Standard license." Any license issued under this act that
14 is not a reciprocal license.

15 * * *

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

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

20 (a) Each [resident licensed] broker (which term in this
21 section shall include cemetery broker) and rental listing
22 referral agent who holds a standard license shall maintain a
23 fixed office within this Commonwealth. The current license of
24 such a rental listing referral agent or broker and of each
25 licensee employed by such broker or rental listing referral
26 agent shall be prominently displayed in an office of the broker
27 or rental listing referral agent. The address of the office
28 shall be designated on the current license. In case of removal
29 of a broker's office from the designated location, all licensees
30 registered at that location shall make application to the

1 commission before such removal or within ten days thereafter,
2 designating the new location of the office, and shall pay the
3 required fees, whereupon the commission shall issue a current
4 license at the new location for the unexpired period, if the new
5 location complies with the terms of this act. Each [licensed]
6 broker who holds a standard license shall maintain a sign on the
7 outside of his office indicating the proper licensed brokerage
8 name.

9 (b) If the applicant for a standard broker's license intends
10 to maintain more than one place of business within the
11 Commonwealth, he shall apply for and obtain an additional
12 license in his name at each office. Every such application shall
13 state the location of such office. Each office shall be under
14 the direction and supervision of a manager who is either the
15 broker or an associate broker: Provided, however, That such
16 broker or an associate broker may direct and supervise more than
17 one office.

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

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

21 [Any nonresident of this Commonwealth who meets the
22 equivalent experience requirements and other standards and
23 qualifications, as the commission shall by rule provide, shall
24 qualify for a license under this act.]

25 (a) Any person who holds a current license to provide real
26 estate services issued by another state and whose principal
27 place of business for the provision of those services is outside
28 of this Commonwealth may be issued a reciprocal license under
29 this act in accordance with this section. The reciprocal license
30 shall be the type of license issued under another section of

this act that the commission determines is most similar to the type of license issued by the other state.

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

(1) in this Commonwealth; or

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

(c) The commission shall issue a reciprocal license upon the filing with it of an application consisting of:

(1) a duly certified copy of a current license issued to the applicant by another state;

(2) a verified statement that, to the knowledge of the applicant, the applicant is not the subject of discipline or a current investigation or proceeding alleging misconduct under a licensing or criminal law of either this Commonwealth or another state;

(3) a verified statement that the applicant has reviewed and is familiar with this act and the rules and regulations of the commission and that the applicant agrees to be bound by this act and those rules and regulations;

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

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

(d) This section may be implemented by written reciprocal licensing agreements with the real estate licensing authorities

of other states as follows:

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

(2) It shall not be necessary for the commission to have entered into an agreement with a particular state in order for the commission to issue a reciprocal license under this section to an applicant from that state.

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

(e) Whenever the commission determines that another state does not offer reciprocal licensure opportunities to citizens of this Commonwealth that are substantially comparable to those afforded to citizens of that state by this section, the commission shall require applicants from that state who apply for a reciprocal license to meet education, experience and examination requirements substantially comparable to those required by that state with respect to citizens of this Commonwealth who seek reciprocal licensure in that state, except that any requirements imposed under this subsection shall not exceed the requirements for obtaining a license under this act imposed on citizens of this Commonwealth.

(f) The commission shall include in its regulations:

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

4 (2) a list of those states that the commission has
5 identified under subsection (e) as not offering substantially
6 comparable reciprocal licensure opportunities, and a
7 description of the additional requirements the commission has
8 determined are necessary to comply with that subsection.

9 (g) A person who holds a reciprocal license shall promptly
10 notify the commission if the person's principal place of
11 business for the provision of real estate services becomes
12 located in this Commonwealth. Upon receipt of the notice by the
13 commission, the person's reciprocal license shall be converted
14 into a standard license without further action on the part of
15 the licensee.

16 (h) A reciprocal license shall be equivalent to a standard
17 license, except that a person holding a reciprocal license:

18 (1) shall not be eligible to be a member of the
19 commission; and

20 (2) shall be exempt from the requirements of sections
21 404.1, 501(b), 513 and 603.

22 (i) An associate broker, salesperson, campground membership
23 salesperson or time-share salesperson holding a reciprocal
24 license shall not conduct business in this Commonwealth except
25 in affiliation with a broker holding either a standard or a
26 reciprocal license.

27 (j) If the applicant for a reciprocal broker's license is a
28 corporation, partnership or association, the applicant must
29 designate in its application a broker of record who is an
30 individual holding a current reciprocal or standard broker's

1 license.

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

4 Section 604. Prohibited acts.

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

18 * * *

19 (29) Violating section 602.

20 (30) Having been disciplined under a real estate
21 licensing law of another jurisdiction, including, but not
22 limited to, having a license suspended or revoked, a fine or
23 penalty imposed, or being censured or reprimanded publicly or
24 privately; except that the commission shall not have the
25 authority to levy a fine solely on the basis of this
26 paragraph.

27 * * *

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