
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 507

Session of
1979

INTRODUCED BY O'PAKE, SCHAEFER, MCKINNEY, ZEMPRELLI, ROSS,
HAGER, MOORE, JUBELIRER, FUMO, ORLANDO, DWYER, HOWARD,
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KELLEY, CORMAN, STAPLETON, HOPPER, KUSSE, BODACK AND STOUT,
MARCH 20, 1979

REFERRED TO PROFESSIONAL LICENSURE, MARCH 20, 1979

AN ACT

1 Establishing the State Real Estate Commission and providing for
2 the licensing of real estate brokers and salesmen.

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12 The General Assembly of the Commonwealth of Pennsylvania

13 hereby enacts as follows:

14 CHAPTER 1

15 GENERAL PROVISIONS

16 Section 101. Short title.

17 This act shall be known and may be cited as the "Real Estate
18 Licensing Act."

19 CHAPTER 2

20 DEFINITIONS

21 Section 201. Definitions.

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

25 "Associate broker." A broker employed by another broker.

26 "Broker." Any person who:

27 (1) negotiates with or aids any person in locating or
28 obtaining for purchase or lease any real estate;

29 (2) negotiates the listing, sale, purchase, exchange,
30 lease, financing or option for any real estate;

- 1 (3) manages or appraises any real estate;
- 2 (4) represents himself as a real estate consultant,
3 counsellor, house finder;
- 4 (5) undertakes to promote the sale, exchange, purchase
5 or rental of real estate through listing it in a publication;
- 6 (6) collects rental information for purposes of
7 referring prospective tenants to rental units or locations of
8 such units; or
- 9 (7) attempts to perform any of the above acts.

10 "Broker of record." The principal individual broker of a
11 licensed corporation, partnership or association.

12 "Builder-owner salesperson." Any person who is a full-time
13 employee of a builder-owner of single and multifamily dwellings
14 located within the Commonwealth and as such employee shall be
15 authorized and empowered to list for sale, sell or offer for
16 sale, or to negotiate the sale or exchange of real estate, or to
17 lease or rent, or offer to lease, rent or place for rent, any
18 real estate owned by his builder-owner employer, or collect or
19 offer, or attempt to collect, rent for the use of real estate
20 owned by his builder-owner employer, for and on behalf of such
21 builder-owner employer.

22 "Commission." The State Real Estate Commission.

23 "Commissioner." Commissioner of Professional and
24 Occupational Affairs.

25 "Department." The Department of State.

26 "Employ, employed, employee, employment." The use of the
27 words employ, employed, employee or employment in this act shall
28 apply to the relationship of independent contractor as well as
29 to the relationship of employment, except as applied to builder-
30 owner salespersons, in which case the word shall have its common

1 law meaning.

2 "Limited broker." Any person, partnership, association or
3 corporation engaging in or carrying on the business or act in
4 the capacity of a broker within the Commonwealth exclusively
5 within the limited field or branch of business which applies to
6 cemetery lots, plots and mausoleum spaces or openings.

7 "Limited salesperson." Any person employed by a broker or
8 limited broker to perform duties as defined hereinunder limited
9 broker. No person employed by a broker to perform duties other
10 than those activities as defined herein under limited broker
11 shall be required to be licensed as a limited salesperson.

12 "Person." Any individual, corporation, partnership,
13 association or other entity foreign or domestic.

14 "Real estate." Any interest or estate in land, whether
15 corporeal, incorporeal, freehold or nonfreehold, whether the
16 land is situated in this Commonwealth or elsewhere including
17 leasehold interests.

18 "Salesperson." Any person employed by a broker to
19 participate in any activity included in this definition of
20 "broker." No person employed by a broker to perform duties other
21 than those activities as defined herein under "broker" shall be
22 required to be licensed as a salesperson.

23 "School." Any person which conducts classes in real estate
24 subjects, but which is not a college or university duly
25 accredited by the Middle States Association of Colleges and
26 Secondary Schools.

27 CHAPTER 3

28 APPLICATION OF THE ACT AND PENALTIES

29 Section 301. Unlawful to conduct business without license.

30 From and after the effective date of this act, it shall be

1 unlawful for any person, directly or indirectly, to engage in or
2 conduct, or to advertise or hold himself out as engaging in or
3 conducting the business, or acting in the capacity of a broker
4 or salesperson, limited broker, limited salesperson or builder-
5 owner salesperson, within this Commonwealth without first being
6 licensed as such as provided in this act, unless he is exempted
7 from obtaining a license under the provisions of section 304.

8 Section 302. Civil suits.

9 No action or suit shall be instituted, nor recovery be had,
10 in any court of this Commonwealth by any person for compensation
11 for any act done or service rendered, the doing or rendering of
12 which is prohibited under the provisions of this act by a person
13 other than a licensed broker, salesperson, limited broker,
14 limited salesperson, or builder-owner salesperson, unless such
15 person was duly licensed hereunder as broker or salesperson
16 prior to the time of offering to perform any such act or service
17 or procuring any promise or contract for the payment of
18 compensation for any such contemplated act or service.

19 Section 303. Criminal penalties.

20 (a) Any person who shall, after the effective date of this
21 act, engage in or carry on the business, or act in the capacity
22 of a broker, salesperson, limited broker, limited salesperson,
23 or builder-owner salesperson, within this Commonwealth, without
24 a license, or shall carry on or continue business after the
25 suspension or revocation of any such license to him or it
26 issued, or shall employ any person as a salesperson or limited
27 salesperson to whom a license has not been issued, or whose
28 license as such shall have been revoked or suspended, shall be
29 guilty of a misdemeanor and, upon conviction thereof, shall be
30 sentenced for the first offense to pay a fine of not less than

1 \$200 nor more than \$400 or undergo imprisonment for not more
2 than 30 days, or both, and for a second and any subsequent
3 offense shall be sentenced to pay a fine of not less than \$500
4 nor more than \$1,000, or undergo imprisonment for a period of
5 not more than one year, or both.

6 (b) Any holder of a license who shall willfully fail to
7 apply for a renewal of his or her license on or before the
8 renewal date in each year, and who continues the practice of
9 broker, salesperson, limited broker, limited salesperson, or
10 builder-owner salesperson, shall, upon conviction thereof, be
11 subject to a fine of not more than \$100 or undergo an
12 imprisonment for a period not to exceed ten days.

13 Section 304. Exclusions.

14 The provisions of this act shall not apply to an owner of
15 real estate with respect to property owned or leased by such
16 owner unless performed as a principal vocation not through
17 brokers licensed hereunder, or to an attorney in fact under a
18 duly executed and recorded power of attorney from the owner or
19 lessor (provided such power of attorney relates to a single
20 transaction, terminates no more than one year from the date of
21 its inception and is not utilized to circumvent the intent of
22 this act); nor shall this act be construed to include in any way
23 the services rendered by an attorney at law in the performance
24 of his duties as such attorney at law, nor shall it be held to
25 include a person acting as receiver, trustee in bankruptcy,
26 administrator, executor or guardian, or while acting under a
27 court order or under the authority of a will or of a trust
28 instrument, nor shall this act apply to the duly elected officer
29 of any banking institution or trust company operating under
30 Federal or State banking laws where real estate of the banking

1 institution or trust company only is involved.

2 CHAPTER 4
3 POWERS AND DUTIES OF THE
4 STATE REAL ESTATE COMMISSION - GENERAL

5 Section 401. Duty to issue licenses.

6 It shall be the duty of the commission to issue licenses to
7 individuals, copartnerships and corporations, who shall comply
8 with the provisions of this act.

9 Section 402. Executive director.

10 The commission shall employ an executive director, whose
11 duties shall be set by commission rules and regulations. The
12 commission may employ such other persons including legal counsel
13 as it shall deem necessary and proper to implement the
14 requirements of this act.

15 Section 403. Approval of schools.

16 Any school which shall offer or conduct any course or courses
17 of study in real estate shall first obtain approval from, and
18 thereafter abide by the rules and regulations of the commission
19 covering such schools.

20 Section 404. Power to promulgate regulations.

21 The commission shall have the power to promulgate regulations
22 in order to administer and effectuate the purposes of this act.
23 All existing regulations adopted pursuant to the act of May 1,
24 1929 (P.L.1216, No.427), known as the "Real Estate Brokers
25 License Act of one thousand nine hundred and twenty-nine," shall
26 remain in full force and effect until modified by the
27 commission.

28 Section 405. Duty to keep records confidential.

29 Neither the Commissioner of Professional and Occupational
30 Affairs, any member of the commission, nor any deputy,

1 secretary, representative, clerk or other employee of the
2 Commonwealth, shall directly or indirectly, willfully, exhibit,
3 publish, divulge, or make known to any person or persons any
4 record, report, statement, letter, or any other matter, fact or
5 thing except in accordance with the laws of this Commonwealth
6 dealing with the public's right to access to Commonwealth
7 proceedings and records. A person violating the provisions of
8 this section shall be guilty of a misdemeanor and sentenced to
9 pay a fine not exceeding \$1,000: Provided, however, That the
10 provisions of this section shall not apply to any ruling or
11 decision of the commission, with the record relative thereto,
12 and upon which the same was founded, which ruling or decision
13 shall have been duly made and entered under and in accordance
14 with the provisions of this act, after investigation and hearing
15 as hereinafter provided. All such records shall, immediately
16 upon the entry of such ruling or decision, become public records
17 of the department, subject to inspection by any person
18 interested.

19 CHAPTER 5

20 QUALIFICATIONS AND APPLICATIONS FOR LICENSES

21 SUBCHAPTER A

22 GENERAL

23 Section 501. Reputation.

24 Licenses shall be granted only to persons who bear a good
25 reputation for honesty, trustworthiness, integrity and
26 competence to transact the business of broker, salesperson,
27 limited broker, limited salesperson or builder-owner
28 salesperson, in such manner as to safeguard the interest of the
29 public, and only after satisfactory proof of such qualifications
30 has been presented to the commission as it shall by regulation

1 require.

2 SUBCHAPTER B

3 BROKER'S LICENSE

4 Section 511. Qualifications for license.

5 The applicant for a broker's license, shall as a condition
6 precedent to obtaining a license, take the broker's license
7 examination and score a passing grade. Prior to taking the
8 examination:

9 (1) The applicant shall be at least 21 years of age.

10 (2) The applicant shall be a high school graduate or
11 shall produce proof satisfactory to the commission of an
12 education equivalent thereto.

13 (3) The applicant shall have completed 16 semester
14 credit hours of 15 hours each in real estate instruction in
15 areas of study prescribed by the rules of the commission.

16 (4) The applicant shall have been engaged full time as a
17 sales person for at least three years or possess educational
18 or experience qualifications which the commission deems to be
19 the equivalent thereof.

20 Section 512. Application for license.

21 (a) An application for a license as real estate broker shall
22 be made in writing, to the commission, upon a form provided for
23 the purpose by the commission and shall contain such information
24 as to the applicant as the commission shall require.

25 (b) The application shall be accompanied by two photographs
26 of the applicant or in the case of a copartnership, association
27 or corporation of the applicant members of officers thereof.

28 (c) The application shall state the place of business for
29 which such license is desired.

30 (d) The application shall be received by the commission

1 within three years of the date upon which the applicant took the
2 examination.

3 Section 513. Corporations, partnerships and associations.

4 If the applicant for a broker's license is a corporation,
5 partnership or association, then the provisions of sections 511
6 and 512 shall apply to the individual designated as broker of
7 record.

8 SUBCHAPTER C

9 SALESPERSON'S LICENSE

10 Section 521. Qualifications for license.

11 Each applicant shall as a condition precedent to obtaining a
12 license, take the salesperson license examination and score a
13 passing grade within three years of the issuance of the license.
14 Prior to taking the examination:

15 (1) The applicant shall be at least 18 years of age.

16 (2) The applicant shall have completed four semester
17 credit hours of 15 hours each in real estate instruction in
18 areas of study prescribed by the rules of the commission.

19 Section 522. Application for license.

20 (a) An application for a license as salesperson shall be
21 made, in writing to the department, upon a form provided for the
22 purpose by the department, and shall contain such information as
23 to the applicant, as the commission shall require.

24 (b) The application shall be accompanied by two photographs
25 of the applicant.

26 (c) The applicant shall submit a sworn statement by the
27 broker with whom he desires to be affiliated certifying that the
28 broker will actively supervise and train the applicant.

29 (d) The application shall be received by the commission
30 within three years of the date upon which the applicant took the

1 examination.

2 SUBCHAPTER D

3 LIMITED BROKER'S LICENSE

4 Section 531. Qualifications for license.

5 Each applicant for a limited broker's license shall as a
6 condition to obtaining a license take the limited broker's
7 license examination and score a passing grade within three years
8 of the issuance of the license. Prior to taking the examination:

9 (1) The applicant shall be at least 21 years of age.

10 (2) The applicant shall have been engaged full time as a
11 sales person or limited salesperson for at least three years
12 or possess educational or experience qualifications which the
13 commission deems to be the equivalent thereof.

14 Section 532. Application for license.

15 (a) An application for a license as a limited broker shall
16 be made, in writing, to the department, upon a form provided for
17 the purpose by the commission and shall contain such information
18 as to the applicant, as the commission shall require.

19 (b) Each application shall be accompanied by two photographs
20 of the applicant or in the case of a partnership, association or
21 corporation of the applicant members or officers thereof.

22 (c) The applicant shall have completed four semester credit
23 hours of 15 hours each in real estate instruction in areas of
24 study prescribed by the rules of the commission.

25 (d) The application shall be received by the commission
26 within three years of the date upon which the applicant took the
27 examination.

28 Section 533. Corporations, partnerships and associations.

29 If the applicant for a limited broker's license is a
30 corporation, partnership or association, then the provisions of

1 sections 531 and 532 shall apply to the individual designated as
2 Broker of Record.

3 SUBCHAPTER E

4 LIMITED SALESPERSON'S LICENSE

5 Section 541. Qualifications for license.

6 The applicant for a limited salesperson's license shall be at
7 least 18 years of age.

8 Section 542. Application for license.

9 (a) An application for a license as a limited salesperson
10 shall be made, in writing, to the department, upon a form
11 provided for the purpose by the commission, and shall contain
12 such information as to the applicant, as the commission shall
13 require.

14 (b) The application shall be accompanied by two photographs
15 of the applicant or in the case of a partnership, association or
16 corporation of the applicant members or officers thereof.

17 (c) The applicant for a license shall submit a sworn
18 affidavit by the broker or limited broker with whom he desires
19 to be affiliated certifying that the broker will actively
20 supervise and train the applicant.

21 (d) The application shall be received by the commission
22 within three years of the date upon which the applicant took the
23 examination.

24 SUBCHAPTER F

25 BUILDER - OWNER SALESPERSON'S LICENSE

26 Section 551. Qualifications for license.

27 Each applicant for a builder-owner salesperson's license,
28 shall as a condition precedent to obtaining a license take the
29 builder-owner salesperson's license examination and score a
30 passing grade within three years of the issuance of the license.

1 Prior to taking the examination:

2 (1) The applicant shall be 18 years of age.

3 (2) The applicant shall be employed by a builder-owner
4 possessing those qualifications as contained in section 501.

5 Section 552. Application for license.

6 (a) An application for a license as a builder-owner
7 salesperson shall be made, in writing to the department, upon a
8 form provided for the purpose by the commission, and shall
9 contain such information as to the applicant as the commission
10 shall require.

11 (b) The application shall be accompanied by two photographs
12 of the applicant.

13 (c) The applicant shall submit a sworn statement by the
14 builder-owner by whom he is employed certifying to such
15 employment.

16 (d) The application shall be received by the commission
17 within three years of the date upon which the applicant took the
18 examination.

19 CHAPTER 6

20 DUTIES OF LICENSEES

21 Section 601. Duty of brokers and limited broker to maintain
22 office.

23 (a) Each resident licensed broker (which term in this
24 section shall include limited broker) shall maintain a fixed
25 office within this Commonwealth. The original license of a
26 broker and of each licensee employed by such broker shall be
27 prominently displayed in the broker's office. The address of the
28 office shall be designated in the broker's license. In case of
29 removal of a broker's office from the designated location, all
30 licensees registered at that location shall make application to

1 the commission before such removal or within ten days
2 thereafter, designating the new location of the office, and
3 shall pay the required fees, whereupon the commission shall
4 issue a license at the new location for the unexpired period, if
5 the new location complies with the terms of this act. Each
6 licensed broker shall maintain a sign on the outside of his
7 office of such size and content as the commission shall
8 prescribe.

9 (b) If the applicant for a broker's license intends to
10 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 branch office. Every such
13 application shall state the location of such branch office and
14 the name of the person in charge of it. Effective 24 months
15 after the effective date of this act, each branch office shall
16 be under the direction and supervision of a manager who is
17 either the broker of record or an associate broker.

18 Section 602. Nonresident licensees.

19 (a) A nonresident of this Commonwealth may be licensed as a
20 broker or a salesperson, upon complying with all provisions and
21 conditions of this act relative to resident brokers and
22 salespersons.

23 (b) In connection with the application of a nonresident of
24 this Commonwealth for a license as broker or salesperson, the
25 commission may accept, in lieu of the recommendations and
26 statements otherwise required to accompany the application for
27 such licensure, the license as broker or salesperson issued to
28 such applicant by the proper authority of the state of his
29 domicile. In such case the licensee need not maintain a place of
30 business within this Commonwealth. It is hereby expressly

1 stipulated, that the provisions of this subsection shall apply
2 to licensed brokers and salespersons of those states under the
3 laws of which similar recognition and courtesies are extended to
4 licensed brokers and salespersons of this Commonwealth.

5 Section 603. Employment of associate brokers, salesperson.

6 No associate broker or salesperson (which term in this
7 section shall include limited salesperson) shall be employed by
8 any other broker than is designated upon the license issued to
9 said associate broker or said salesperson. Whenever a licensed
10 salesperson or associate broker desires to change his employment
11 from one licensed broker to another, he shall notify the
12 commission in writing at least ten days prior to the intended
13 date of change, pay the required fee, and return his pocket
14 card. The commission, shall, upon receipt of acknowledgement
15 from the new broker, of the change of employment forthwith issue
16 a new license and pocket card, but in the interim at such time
17 as the change in affiliation of the salesperson or associate
18 broker occurs, he shall mark out the name and address of the
19 former broker on the license and substitute in writing the name
20 and address of the broker to whom the change has been made. Upon
21 receipt of the new license, the associate broker or salesperson
22 shall forthwith submit his former license to the commission for
23 cancellation.

24 Section 604. Prohibited acts.

25 The commission may upon its own motion, and shall promptly
26 upon the verified complaint in writing of any person setting
27 forth a complaint under this section, ascertain the facts and,
28 if warranted, hold a hearing for the suspension or revocation of
29 a license or for the imposition of fines not exceeding \$500. The
30 commission shall have power to refuse a license for cause or to

1 suspend or revoke a license or to levy fines up to \$500 where
2 the said license has been obtained by false representation, or
3 by fraudulent act or conduct, or where a licensee, in performing
4 or attempting to perform any of the acts mentioned herein, is
5 found guilty of:

6 (1) Making any substantial misrepresentation.

7 (2) Making any false promise of a character likely to
8 influence, persuade or induce any person to enter into any
9 contract or agreement when he could not or did not intend to
10 keep such promise.

11 (3) Pursuing a continued and flagrant course of
12 misrepresentation or making of false promises through
13 salesperson, associate broker, other persons, or any medium
14 of advertising, or otherwise.

15 (4) Any misleading or untruthful advertising, or using
16 any other trade name or insignia or membership in any real
17 estate association or organization, of which the licensee is
18 not a member.

19 (5) Failure to comply with the following requirements:

20 (i) all deposits or other moneys accepted by every
21 person, holding a real estate broker license under the
22 provisions of this act, shall be retained by such real
23 estate broker pending consummation or termination of the
24 transaction involved, and shall be accounted for in the
25 full amount thereof at the time of the consummation or
26 termination;

27 (ii) every salesperson and associate broker promptly
28 on receipt by him of a deposit or other moneys on any
29 transaction in which he is engaged on behalf of his
30 broker-employer, shall pay over the deposit to the

1 broker;

2 (iii) a broker shall not commingle the money or
3 other property of his principal with his own;

4 (iv) every broker shall immediately deposit such
5 moneys, of whatever kind or nature, belonging to others,
6 in a separate custodial or trust fund account maintained
7 by the broker with some bank or recognized depository
8 until the transaction involved is consummated or
9 terminated, at which time the broker shall account for
10 the full amount received. Under no circumstances shall a
11 broker permit any advance payment of funds belonging to
12 others to be deposited in the broker's business or
13 personal account, or to be commingled with any funds he
14 may have on deposit; or

15 (v) every broker shall keep records of all funds
16 deposited therein, which records shall indicate clearly
17 the date and from whom he received money, the date
18 deposited, the dates of withdrawals, and other pertinent
19 information concerning the transaction, and shall show
20 clearly for whose account the money is deposited and to
21 whom the money belongs. All such records and funds shall
22 be subject to inspection by the commission. Such separate
23 custodial or trust fund account shall designate the
24 broker, as trustee, and such account must provide for
25 withdrawal of funds without previous notice. All such
26 records shall be available to the commission, or its
27 representatives, immediately after proper demand or after
28 written notice given, or upon written notice given to the
29 depository.

30 (6) Failing to preserve for three years following its

1 consummation records relating to any real estate transaction.

2 (7) Acting for more than one party in a transaction
3 without the knowledge and consent in writing of all parties
4 for whom he acts.

5 (8) Placing a "for sale" or "for rent" sign on any
6 property without the written consent of the owner, or his
7 authorized agent.

8 (9) Failing to voluntarily furnish a copy of any
9 listing, sale, lease, or other contract relevant to a real
10 estate transaction to all signatories thereof at the time of
11 execution.

12 (10) Failing to specify a definite termination date that
13 is not subject to prior notice, in any listing contract.

14 (11) Inducing any party to a contract, sale or lease to
15 break such contract for the purpose of substitution in lieu
16 thereof of a new contract, where such substitution is
17 motivated by the person gain of the licensee.

18 (12) Accepting a commission or any valuable
19 consideration by a salesperson or associate broker for the
20 performance of any acts specified in this act, from any
21 person, except the licensed real estate broker with whom he
22 is affiliated.

23 (13) Failing to disclose to an owner in writing his
24 intention or true position if he directly or indirectly
25 through a third party, purchased for himself or acquires or
26 intends to acquire any interest in or any option to purchase
27 property which has been listed with his office to sell or
28 lease.

29 (14) Being convicted in a court of competent
30 jurisdiction of this or any other state, or Federal court, of

1 forgery, embezzlement, obtaining money under false pretenses,
2 bribery, larceny, extortion, conspiracy to defraud, or any
3 similar offense or offenses, or pleading guilty or nolo
4 contendere to any such offense or offenses.

5 (15) Violating any rule or regulation promulgated by the
6 commission in the interest of the public and consistent with
7 the provisions of this act.

8 (16) In the case of a broker licensee, failing to
9 exercise adequate supervision over the activities of his
10 licensed salespersons or associate brokers within the scope
11 of this act.

12 (17) Failing, within a reasonable time, to provide
13 information requested by the commission as the result of a
14 formal or informal complaint to the commission, which would
15 indicate a violation of this act.

16 (18) Soliciting, selling or offering for sale real
17 property by offering free lots, or conducting lotteries or
18 contests or offering prizes for the purpose of influencing a
19 purchaser or prospective purchaser of real property.

20 (19) Paying or accepting, giving or charging any
21 undisclosed commission, rebate, compensation or profit or
22 expenditures for a principal, or in violation of this act.

23 (20) Any conduct in a real estate transaction which
24 demonstrates bad faith, dishonesty, untrustworthiness, or
25 incompetency.

26 (21) Of violating an order or a consent decree of the
27 Pennsylvania Human Relations Commission issued pursuant to
28 the act of October 27, 1955 (P.L.744, No.222), known as the
29 "Pennsylvania Human Relations Act," if such order or consent
30 decree resulted from a finding of discrimination in the area

1 of activities authorized by virtue of this act. Such
2 activities include but are not limited to:

3 (i) Accepting listings on the understanding that
4 illegal discrimination in the sale or rental of housing
5 is to be practiced due to race, color, religious creed,
6 sex, ancestry or national origin of a prospective lessee
7 or purchaser.

8 (ii) Giving false information for purposes of
9 discrimination in the rental or sale of housing due to
10 race, color, religious creed, sex, ancestry or national
11 origin of a prospective lessee or purchaser.

12 (iii) Making distinctions in locations of housing or
13 dates of availability of housing for purposes of
14 discrimination in the rental or sale of such housing due
15 to race, color, religious creed, sex, ancestry, or
16 national origin of the prospective lessee or purchaser.

17 Nothing contained in paragraph (21) is intended to preclude
18 the State Real Estate Commission from conducting its own
19 investigation and maintaining its own file on any complaint of
20 discrimination. The intent hereunder is to allow the
21 Pennsylvania Human Relations Commission a reasonable period of
22 time to conduct its own investigations, hold hearings, render
23 its decisions and inform the Pennsylvania Real Estate Commission
24 of its findings prior to the State Real Estate Commission taking
25 action against any broker, salesperson or sales associate
26 charged with a violation of paragraph (21).

27 If in the event the Pennsylvania Human Relations Commission
28 does not act on a discrimination complaint within 90 days after
29 it is filed with the Pennsylvania Human Relations Commission
30 then the State Real Estate Commission may proceed with action

1 against such licensee.

2 The 90-day waiting period delaying State Real Estate
3 Commission action against licensee accused of discrimination
4 applies only in initial complaints against such licensee, second
5 or subsequent complaints may be brought by individuals or the
6 Pennsylvania Human Relations Commission directly to the State
7 Real Estate Commission.

8 Section 605. Out-of-state land sales; duty to obtain commission
9 approval.

10 Any person who proposes to engage in sales of a promotional
11 nature in this Commonwealth for a property located outside of
12 this Commonwealth, shall first apply to the commission for its
13 approval before so doing, and they and their salesmen shall
14 comply with such rules, regulations, restrictions and conditions
15 pertaining thereto as the commission may impose.

16 CHAPTER 7

17 PROCEEDINGS BEFORE THE COMMISSION

18 Section 701. Complaint and hearing.

19 Proceedings before the commission shall be conducted in
20 accordance with Title 2 (Administrative Law and Procedure) of
21 the Pennsylvania Consolidated Statutes.

22 Section 702. Imputed knowledge, limitations.

23 No violation of any of the provisions of this act on the part
24 of any salesperson, associate broker, or other employee of any
25 licensed broker, shall be grounds for the revocation or
26 suspension of the license of the employer of such salesperson,
27 associate broker, or employee, unless it shall appear upon the
28 hearings held, that such employer had guilty knowledge of such
29 violation. A course of dealing shown to have been followed by
30 such employee shall constitute prima facie evidence of such

1 knowledge upon the part of his employer.

2 CHAPTER 8

3 REAL ESTATE RECOVERY FUND

4 Section 801. Establishment of the fund.

5 There is hereby established the Real Estate Recovery Fund for
6 the purposes hereinafter set forth in this act.

7 Section 802. Funding of the fund.

8 Each licensee entitled to renew his license on or after
9 February 28, 1980, shall, when so renewing his license pay in
10 addition to the applicable license fee a further fee of \$25,
11 which shall be paid and credited to the Real Estate Recovery
12 Fund, and any person upon receiving his initial or first time
13 real estate license, each licensee, shall, in addition to all
14 fees, pay into the Real Estate Recovery Fund a sum of \$25, but
15 in no case shall any licensee be required to pay said fee of \$25
16 more than once. All said fees shall be paid into the State
17 Treasury and credited to the Real Estate Recovery Fund, and said
18 deposits shall be allocated solely for the purposes of the fund
19 as provided in this act.

20 Section 803. Application for recovery from fund.

21 (a) When any aggrieved person obtains a final judgment in
22 any court of competent jurisdiction against any person licensed
23 under this act, upon grounds of fraud, misrepresentation or
24 deceit with reference to any transaction for which a license is
25 required under this act and which cause of action occurred on or
26 after the effective date of this act, the aggrieved person may,
27 upon termination of all proceedings, including reviews and
28 appeals, file an application in the court in which the judgment
29 was entered for an order directing payment out of the Real
30 Estate Recovery Fund of the amount unpaid upon the judgment.

1 (b) The aggrieved person shall be required to show:

2 (1) That he is not a spouse of the debtor, or the
3 personal representative of said spouse.

4 (2) That he has obtained a judgment as set out in this
5 section.

6 (3) That all reasonable personal acts, rights of
7 discovery and such other remedies at law and in equity as
8 exist have been exhausted in the collection thereof.

9 (4) That he is making said application no more than one
10 year after the termination of the proceedings, including
11 reviews and appeals in connection with the judgment.

12 (c) The commission shall have the right to answer actions
13 provided for under this section, and subject to court approval,
14 it may compromise a claim based upon the application of the
15 aggrieved party.

16 (d) When there is an order of the court to make payment or a
17 claim is otherwise to be levied against the fund, such amount
18 shall be paid to the claimant in accordance with the limitations
19 contained in this section. Notwithstanding any other provisions
20 of this section, the liability of that portion of the fund
21 allocated for the purpose of this act shall not exceed \$20,000
22 for any one license regardless of the number of claimants. If
23 the \$20,000 liability of the Real Estate Recovery Fund as
24 provided herein is insufficient to pay in full claims
25 adjudicated valid of all aggrieved persons against any one
26 licensee, such \$20,000 shall be distributed among them in such
27 ratio that the respective claims of the aggrieved applicants
28 bear to the aggregate of such claims held valid. If, at any
29 time, the money deposited in the Real Estate Recovery Fund is
30 insufficient to satisfy any duly authorized claim or portion

1 thereof, the commission shall, when sufficient money has been
2 deposited in the fund, satisfy such unpaid claims or portions
3 thereof, in the order that such claims or portions thereof were
4 originally filed, plus accumulated interest at the rate of 6% a
5 year.

6 (e) Upon petition of the commission the court may require
7 all claimants and prospective claimants against one licensee to
8 be joined in one action, to the end that the respective rights
9 of all such claimants to the Real Estate Recovery Fund may be
10 equitably adjudicated and settled.

11 (f) Should the commission pay from the Real Estate Recovery
12 Fund any amount in settlement of a claim as provided for in this
13 act against a licensee, the license of that person shall
14 automatically suspend upon the effective date of the payment
15 thereof by the commission. No such licensee shall be granted
16 reinstatement until he has repaid in full plus interest at the
17 rate of 6% a year, the amount paid from the Real Estate Recovery
18 Fund.

19 CHAPTER 9

20 REPEALER AND EFFECTIVE DATE

21 Section 901. Repealer.

22 The act of May 1, 1929 (P.L.1216, No.427), known as the "Real
23 Estate Brokers License Act of one thousand nine hundred and
24 twenty-nine," is repealed to the following conditions:

25 (1) All licenses issued thereunder on the effective date
26 of this act shall remain in full force and effect until their
27 expiration date or revocation by action of the commission.

28 (2) All proceedings in progress on the effective date
29 shall continue to proceed under their terms of act under
30 which brought.

1 (3) All offenses alleged to have occurred prior to the
2 effective date of this act shall be processed under the act
3 of May 1, 1929 (P.L.1215, No.427).

4 Section 902. Effective date.

5 This act shall take effect in 90 days.