

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 641

A bill to amend 1980 PA 299, entitled
"Occupational code,"
by amending sections 2502a, 2504, and 2508 (MCL 339.2502a,
339.2504, and 339.2508), section 2502a as added by 2002 PA 611,
section 2504 as amended by 2003 PA 196, and section 2508 as amended
by 1988 PA 16, and by adding section 2504a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2502a. (1) ~~Beginning November 1, 2003, the~~ **THE** department
2 shall issue a license for **A** real estate broker, associate real
3 estate broker, and real estate salesperson for a term of 3 years.

4 **(2) THE DEPARTMENT SHALL RENEW A LICENSE FOR A REAL ESTATE**
5 **BROKER, ASSOCIATE REAL ESTATE BROKER, OR REAL ESTATE SALESPERSON IF**
6 **THE DEPARTMENT RECEIVES AN APPLICATION FOR RENEWAL ON A FORM**
7 **PRESCRIBED BY THE DEPARTMENT, AND PAYMENT OF THE APPROPRIATE FEES,**

1 WITHIN THE TIME PERIOD DESCRIBED IN SECTION 411(1) OR (2), AND THE
2 APPLICABLE REQUIREMENTS OF SECTION 2504A ARE MET.

3 (3) THE DEPARTMENT MAY RELICENSE WITHOUT EXAMINATION A PERSON
4 THAT FAILS TO RENEW A LICENSE ISSUED UNDER THIS ARTICLE WITHIN THE
5 TIME PERIOD DESCRIBED IN SUBSECTION (2) IF ALL OF THE FOLLOWING ARE
6 MET:

7 (A) THE PERSON APPLIES WITHIN 3 YEARS AFTER THE EXPIRATION
8 DATE OF THE PERSON'S LAST LICENSE.

9 (B) THE PERSON PAYS AN APPLICATION PROCESSING FEE, THE LATE
10 RENEWAL FEE, AND THE PER-YEAR LICENSE FEE FOR THE UPCOMING
11 LICENSURE PERIOD.

12 (C) THE PERSON COMPLETES 6 CLOCK HOURS OF CONTINUING EDUCATION
13 FOR EACH YEAR AND PARTIAL YEAR THAT HAVE ELAPSED SINCE THE
14 EXPIRATION OF THE PERSON'S LAST LICENSE, ON THE TOPICS DESCRIBED IN
15 SECTION 2504A(1).

16 (4) THE DEPARTMENT MAY RELICENSE A PERSON THAT FAILED TO RENEW
17 A REAL ESTATE BROKER LICENSE WITHIN 3 YEARS AFTER THE EXPIRATION
18 DATE OF THE PERSON'S LAST LICENSE IF THE PERSON PAYS AN APPLICATION
19 PROCESSING FEE, THE LATE RENEWAL FEE, AND THE PER-YEAR LICENSE FEE
20 FOR THE UPCOMING LICENSURE PERIOD AND SUBMITS PROOF THAT THE
21 PERSON, IF THE PERSON IS AN INDIVIDUAL, OR THE INDIVIDUAL
22 DESIGNATED AS THE PERSON'S PRINCIPAL UNDER SECTION 2505 IF THE
23 PERSON IS NOT AN INDIVIDUAL, MEETS ANY OF THE FOLLOWING:

24 (A) HAS COMPLETED A TOTAL OF 6 CLOCK HOURS OF CONTINUING
25 EDUCATION FOR EACH YEAR AND PARTIAL YEAR THAT HAVE ELAPSED SINCE
26 THE EXPIRATION OF THE PERSON'S LAST LICENSE, ON THE TOPICS
27 DESCRIBED IN SECTION 2504A(1).

1 (B) HAS COMPLETED 90 CLOCK HOURS OF PRELICENSURE COURSES
2 DESCRIBED IN SECTION 2504(3).

3 (C) HAS PASSED THE EXAMINATION REQUIRED FOR A REAL ESTATE
4 BROKER LICENSE UNDER SECTION 2505(5).

5 (5) THE DEPARTMENT MAY RELICENSE AN INDIVIDUAL WHO FAILED TO
6 RENEW A REAL ESTATE SALESPERSON LICENSE WITHIN 3 YEARS AFTER THE
7 EXPIRATION DATE OF HIS OR HER LAST LICENSE IF HE OR SHE PAYS AN
8 APPLICATION PROCESSING FEE, THE LATE RENEWAL FEE, AND THE PER-YEAR
9 LICENSE FEE FOR THE UPCOMING LICENSURE PERIOD AND SUBMITS PROOF
10 THAT HE OR SHE MEETS ANY OF THE FOLLOWING:

11 (A) HAS COMPLETED A TOTAL OF 6 CLOCK HOURS OF CONTINUING
12 EDUCATION FOR EACH YEAR AND PARTIAL YEAR THAT HAVE ELAPSED SINCE
13 THE EXPIRATION OF HIS OR HER LAST LICENSE, ON THE TOPICS DESCRIBED
14 IN SECTION 2504A(1).

15 (B) HAS COMPLETED 40 CLOCK HOURS OF PRELICENSURE COURSES
16 DESCRIBED IN SECTION 2504(3).

17 (C) HAS PASSED THE EXAMINATION REQUIRED FOR A REAL ESTATE
18 SALESPERSON LICENSE UNDER SECTION 2505(5).

19 Sec. 2504. (1) ~~Before receiving~~ BOTH OF THE FOLLOWING MUST BE
20 MET BEFORE AN APPLICANT RECEIVES a real estate broker's license ~~and~~
21 ~~an applicant shall~~ UNDER THIS ARTICLE:

22 (A) THE APPLICANT MUST submit an application ~~as described in~~
23 UNDER section 2505. ~~and shall have successfully completed not less~~
24 than

25 (B) THE APPLICANT, IF THE APPLICANT IS AN INDIVIDUAL, OR THE
26 INDIVIDUAL DESIGNATED AS THE PRINCIPAL OF THE APPLICANT UNDER
27 SECTION 2505 IF THE APPLICANT IS NOT AN INDIVIDUAL, MUST

1 **SUCCESSFULLY COMPLETE AT LEAST** 90 clock hours of approved
2 **PRELICENSURE** classroom courses in real estate, of which ~~not less~~
3 ~~than~~ **AT LEAST** 9 clock hours ~~shall be~~ **IS** instruction on civil rights
4 law and equal opportunity in housing. The 90 hours ~~shall be~~ **ARE** in
5 addition to the hours required to obtain a real estate
6 salesperson's license.

7 (2) Before ~~being~~ **HE OR SHE IS** permitted to take the real
8 estate salesperson's examination, ~~an~~ **THE** applicant ~~shall~~ **MUST** show
9 proof ~~of successful completion of not less than~~ **THAT HE OR SHE HAS**
10 **SUCCESSFULLY COMPLETED AT LEAST** 40 clock hours of **APPROVED**
11 **PRELICENSURE** classroom courses in principles of real estate, of
12 which ~~not less than~~ **AT LEAST** 4 clock hours ~~shall be~~ **IS** instruction
13 on civil rights law and equal opportunity in housing.

14 (3) For purposes of subsections (1) and (2), approved
15 **PRELICENSURE** courses may be on the following topics:

16 (a) Real estate license law and related regulatory laws.

17 (b) Real property law, including property interests and
18 restrictions.

19 (c) Federal, state, and local tax laws affecting real
20 property.

21 (d) Conveyances, including contracts, deeds, and leases.

22 (e) Financing, including mortgages, land contracts,
23 foreclosure, and limits on lending procedures and interest rates.

24 (f) Appraisal of real property.

25 (g) Design and construction.

26 (h) Marketing, exchanging, and counseling.

27 (i) The law of agency.

1 (j) Sales and office management, including listing and selling
2 techniques.

3 (k) Real estate securities and syndications.

4 (l) Investments, including property management.

5 ~~——(4) Except as otherwise provided in this subsection, before~~
6 ~~being permitted to renew an active real estate broker's or real~~
7 ~~estate salesperson's license, a licensee shall have successfully~~
8 ~~completed, within the preceding 12 months, not less than 6 clock~~
9 ~~hours of continuing education approved by the department involving~~
10 ~~any topics relevant to the management, operation, and practice of~~
11 ~~real estate and covering changes in economic conditions, law,~~
12 ~~rules, court cases, and interpretations, or any combination of~~
13 ~~those changes, relating to real property which are pertinent to the~~
14 ~~activities of a real estate broker or real estate salesperson.~~
15 ~~Beginning November 1, 2003, a licensee shall complete not less than~~
16 ~~18 hours of continuing education per 3 year license cycle. A~~
17 ~~licensee shall complete at least 6 hours of the required 18 hours~~
18 ~~of continuing education courses during the time period from~~
19 ~~November 1, 2003 and ending on December 31, 2004. During calendar~~
20 ~~year 2005, a licensee shall complete at least 6 hours of the~~
21 ~~required 18 hours of continuing education courses. During calendar~~
22 ~~year 2006, a licensee shall complete at least 4 hours of the~~
23 ~~required 18 hours of continuing education courses. During calendar~~
24 ~~year 2007 and thereafter, a licensee shall complete at least 2~~
25 ~~hours per calendar year of the required 18 hours of continuing~~
26 ~~education courses. Any education successfully completed by a~~
27 ~~licensee for further professional designation and approved by the~~

1 ~~department as continuing education may be counted toward the total~~
2 ~~continuing education credits required for the 3 year license cycle.~~
3 ~~Each licensee, in completing the appropriate number of clock hours,~~
4 ~~will have the option of selecting the education courses in that~~
5 ~~licensee's area of expertise, as long as the education courses are~~
6 ~~approved by the department and as long as at least 2 hours of an~~
7 ~~education course per calendar year involve law, rules, and court~~
8 ~~eases regarding real estate. Notwithstanding the provisions of this~~
9 ~~subsection, the department may renew the license of a licensee who~~
10 ~~has completed not less than 18 hours of continuing education in the~~
11 ~~subject matter areas required by this subsection during the 3 year~~
12 ~~license cycle but has not otherwise met the requirements of this~~
13 ~~section if the licensee provides evidence satisfactory to the~~
14 ~~department that he or she has good cause for not complying with the~~
15 ~~requirements in this subsection.~~

16 ~~—— (5) The department may relicense without examination a~~
17 ~~licensee whose license has lapsed for less than 3 years if the~~
18 ~~licensee shows proof of completion of not less than 6 clock hours~~
19 ~~of continuing education for each year the license was lapsed, on~~
20 ~~topics as described in subsection (4).~~

21 ~~—— (6) The department may relicense a broker whose license has~~
22 ~~lapsed for 3 or more continuous years if the licensee provides~~
23 ~~proof of the successful completion of 1 of the following:~~

24 ~~—— (a) Six clock hours of continuing education for each of the~~
25 ~~years the license was lapsed on topics described in subsection (4).~~

26 ~~—— (b) Ninety clock hours of instruction described in subsections~~
27 ~~(1) and (3).~~

1 ~~—— (c) Passing the examination required for licensure as a broker~~
2 ~~as provided for in section 2505(5).~~

3 ~~—— (7) A salesperson whose license has been lapsed for 3 or more~~
4 ~~continuous years may be relicensed if the licensee provides proof~~
5 ~~of the successful completion of 1 of the following:~~

6 ~~—— (a) Six clock hours of continuing education for each of the~~
7 ~~years the license was lapsed on topics described in subsection (4).~~

8 ~~—— (b) Forty clock hours of instruction described in subsections~~
9 ~~(2) and (3).~~

10 ~~—— (c) Passing the examination required for licensure as a~~
11 ~~salesperson as provided in section 2505(5).~~

12 ~~—— (8) The department shall not apply the course credits used to~~
13 ~~meet continuing education requirements provided in subsections (4)~~
14 ~~through (7) towards the real estate broker's license education~~
15 ~~requirements provided in subsection (1), and course credits taken~~
16 ~~under real estate broker's license education requirements shall not~~
17 ~~be applied towards the continuing education requirements. The~~
18 ~~department shall apportion the approved course credits eligible for~~
19 ~~education requirements in subsection (1) and subsections (4)~~
20 ~~through (7) to meet either requirement upon the licensee's request.~~

21 ~~—— (9) For real estate brokers, associate brokers, and~~
22 ~~salespersons who receive a license issued in the second or third~~
23 ~~years of a 3 year license cycle, continuing education shall be in~~
24 ~~compliance with subsection (4), except for the following:~~

25 ~~—— (a) A real estate broker, associate broker, or salesperson who~~
26 ~~receives a license issued in the second year of the 3 year license~~
27 ~~cycle is required to complete 12 hours of continuing education to~~

1 ~~renew his or her license.~~

2 ~~—— (b) A real estate broker, associate broker, or salesperson who~~
 3 ~~receives a license issued in the third year of the 3 year licensing~~
 4 ~~cycle is required to complete 6 hours of continuing education to~~
 5 ~~renew his or her license.~~

6 (4) ~~(10)~~ A person who ~~THAT~~ offers or conducts a **PRELICENSURE**
 7 course or courses of study represented to meet the educational
 8 requirements of this article ~~SECTION SHALL~~ first shall obtain
 9 approval from the department and shall comply with the rules of the
 10 department concerning curriculum, instructor qualification, grading
 11 system, and other related matters. ~~In addition to other~~
 12 ~~requirements imposed under rule, in order to receive approval a~~ **A**
 13 course shall be designed to be taught for ~~not less than~~ **AT LEAST** 1
 14 clock hour, not including time spent on breaks, meals, or other
 15 unrelated activities. ~~, provided the course is only approved for~~
 16 ~~less than 2 clock hours if, based upon the subject matter, course~~
 17 ~~outline, instructional materials, methodology, and other~~
 18 ~~considerations consistent with rules of the department, the~~
 19 ~~department determines that the course objectives can be effectively~~
 20 ~~met in the proposed time period.~~ The department may suspend or
 21 revoke the approval of a person for a violation of this article or
 22 of the rules promulgated under this article. A person ~~offering or~~
 23 ~~conducting~~ **THAT OFFERS OR CONDUCTS** a course shall not represent
 24 that its students are assured of passing an examination required by
 25 the department. A person shall not represent that the issuance of
 26 departmental approval is a recommendation or indorsement of the
 27 person to which it is issued or of a course of instruction given by

1 it. A ~~pre-licensure~~ **PRELICENSURE** course approved under this article
 2 **SECTION** shall be conducted by a local public school district, a
 3 community college, an institution of higher education authorized to
 4 grant degrees, or a proprietary school licensed by the department
 5 ~~of career development~~ under **THE PROPRIETARY SCHOOLS ACT, 1943 PA**
 6 148, MCL 395.101 to 395.103.

7 (5) ~~(11)~~ A person who ~~in operating a school~~ **THAT** violates
 8 subsection ~~(10)~~ **(4) IN OPERATING A SCHOOL THAT PROVIDES 1 OR MORE**
 9 **COURSES DESCRIBED IN THIS SECTION** is subject to the penalties set
 10 forth in article 6.

11 (6) ~~(12)~~ The department may conduct, hold, or assist in
 12 conducting or holding, a real estate clinic, meeting, course, or
 13 institute, which shall be open to a person licensed under this
 14 article, and may incur the necessary expenses in connection with
 15 the clinic, meeting, course, or institute. The department, in the
 16 public interest, may assist educational institutions ~~within~~ **IN** this
 17 state in sponsoring studies, research, and programs for the purpose
 18 of raising the standards of professional practice in real estate
 19 and the competence of a licensee.

20 **SEC. 2504A. (1) WITHIN EACH 3-YEAR LICENSE CYCLE, A LICENSEE**
 21 **SHALL SUCCESSFULLY COMPLETE AT LEAST 18 CLOCK HOURS OF CONTINUING**
 22 **EDUCATION COURSES THAT INVOLVE ANY SUBJECTS THAT ARE RELEVANT TO**
 23 **THE MANAGEMENT, OPERATION, AND PRACTICE OF REAL ESTATE OR ANY OTHER**
 24 **SUBJECT THAT CONTRIBUTES TO THE PROFESSIONAL COMPETENCE OF A**
 25 **LICENSEE OR APPLICANT. ALL OF THE FOLLOWING APPLY TO THIS**
 26 **CONTINUING EDUCATION REQUIREMENT:**

27 (A) **IN EACH CALENDAR YEAR OF EACH 3-YEAR LICENSE CYCLE, A**

1 LICENSEE SHALL COMPLETE AT LEAST 2 HOURS OF THE REQUIRED 18 HOURS
2 OF CONTINUING EDUCATION COURSES.

3 (B) IN COMPLETING THE APPROPRIATE NUMBER OF CONTINUING
4 EDUCATION COURSES, A LICENSEE MAY SELECT EDUCATION COURSES IN HIS
5 OR HER AREA OF EXPERTISE, BUT AT LEAST 2 HOURS OF THE EDUCATION
6 COURSES IN A CALENDAR YEAR MUST INVOLVE LAW, RULES, AND COURT CASES
7 REGARDING REAL ESTATE.

8 (C) AT THE TIME HE OR SHE ATTENDS A CONTINUING EDUCATION
9 COURSE, A LICENSEE SHALL DO BOTH OF THE FOLLOWING TO CONFIRM HIS OR
10 HER IDENTITY:

11 (i) PRESENT HIS OR HER POCKET CARD, OR PROVIDE HIS OR HER
12 LICENSE IDENTIFICATION NUMBER, FROM THE DEPARTMENT TO THE COURSE
13 PROVIDER.

14 (ii) PRESENT HIS OR HER OPERATOR'S LICENSE OR CHAUFFEUR'S
15 LICENSE ISSUED UNDER THE MICHIGAN VEHICLE CODE, 1949 PA 300, MCL
16 257.1 TO 257.923, AN OFFICIAL STATE PERSONAL IDENTIFICATION CARD
17 ISSUED UNDER 1972 PA 222, MCL 28.291 TO 28.300, OR OTHER
18 GOVERNMENT-ISSUED PHOTO IDENTIFICATION TO THE COURSE PROVIDER.

19 (D) ANY EDUCATION COURSE THAT THE LICENSEE SUCCESSFULLY
20 COMPLETES TO OBTAIN A PROFESSIONAL DESIGNATION IS COUNTED TOWARD
21 THE TOTAL CONTINUING EDUCATION CREDITS REQUIRED IN A 3-YEAR LICENSE
22 CYCLE.

23 (E) IF A LICENSEE SUCCESSFULLY COMPLETES A CONTINUING
24 EDUCATION COURSE, HE OR SHE DOES NOT EARN ADDITIONAL HOURS TOWARD
25 THE REQUIREMENTS OF THIS SECTION IF HE OR SHE REPEATS THAT COURSE.

26 (2) AN APPLICANT FOR LICENSE RENEWAL UNDER SECTION 2502A SHALL
27 CERTIFY COMPLIANCE WITH SUBSECTION (1) TO THE DEPARTMENT. A

1 LICENSEE SHALL RETAIN EVIDENCE ACCEPTABLE TO THE DEPARTMENT THAT
2 DEMONSTRATES HE OR SHE HAS MET THE CONTINUING EDUCATION
3 REQUIREMENTS UNDER THIS SECTION, FOR AT LEAST 4 YEARS AFTER THE
4 DATE OF THAT CERTIFICATION, AND SHALL PRODUCE THE RECORD THAT
5 CONTAINS THAT EVIDENCE AT THE REQUEST OF THE DEPARTMENT. THE
6 DEPARTMENT SHALL CONSIDER THE FOLLOWING AS ACCEPTABLE EVIDENCE
7 UNDER THIS SUBSECTION:

8 (A) THE NAME AND CONTACT INFORMATION OF THE CONTINUING
9 PROFESSIONAL EDUCATION PROGRAM SPONSOR.

10 (B) THE PARTICIPANT'S NAME.

11 (C) THE COURSE TITLE AND COURSE FIELD OF STUDY.

12 (D) THE DATE THE COURSE WAS OFFERED OR COMPLETED.

13 (E) IF APPLICABLE, THE LOCATION OF THE COURSE.

14 (F) THE TYPE OF INSTRUCTION OR DELIVERY METHOD USED FOR
15 PRESENTING THE COURSE.

16 (G) VERIFICATION BY A REPRESENTATIVE OF THE CONTINUING
17 PROFESSIONAL EDUCATION PROGRAM SPONSOR OF THE PARTICIPANT'S
18 COMPLETION OF THE COURSE.

19 (H) A TIME STATEMENT FROM THE CONTINUING PROFESSIONAL
20 EDUCATION PROGRAM SPONSOR THAT STATES THAT CONTINUING PROFESSIONAL
21 EDUCATION CREDITS FOR THE COURSE WERE GRANTED ON A 50-MINUTE HOUR.

22 (3) AN APPLICANT FOR LICENSE RENEWAL UNDER SECTION 2502A IS
23 SUBJECT TO AUDIT BY THE DEPARTMENT FOR COMPLIANCE WITH SUBSECTION
24 (1) OR (6) AND MAY BE REQUIRED TO SUBMIT THE DOCUMENTATION
25 DESCRIBED IN SUBSECTION (2) TO THE DEPARTMENT ON REQUEST.

26 (4) IF THE DEPARTMENT FINDS AS THE RESULT OF AN AUDIT UNDER
27 SUBSECTION (3) THAT AN APPLICANT FOR LICENSE RENEWAL UNDER SECTION

1 2502A HAS NOT COMPLETED SUFFICIENT HOURS OF CONTINUING EDUCATION TO
2 RENEW HIS OR HER LICENSE, THE DEPARTMENT MAY ALLOW THE APPLICANT TO
3 RENEW HIS OR HER LICENSE BY COMPLETING BOTH OF THE FOLLOWING, IF
4 APPLICABLE:

5 (A) A SUFFICIENT NUMBER OF ADDITIONAL HOURS OF CONTINUING
6 EDUCATION TO FULFILL THE REQUIREMENTS FOR THE PERIOD DETERMINED BY
7 AUDIT TO BE DEFICIENT.

8 (B) IF THE PERIOD DETERMINED BY THE AUDIT TO BE DEFICIENT IS
9 AT LEAST 60 DAYS, ADDITIONAL HOURS OF CONTINUING EDUCATION IN 1 OF
10 THE FOLLOWING AMOUNTS:

11 (i) IF THE DEFICIENCY PERIOD IS AT LEAST 60 DAYS AND LESS THAN
12 120 DAYS, 4 HOURS.

13 (ii) IF THE DEFICIENCY PERIOD IS 120 DAYS OR MORE, 8 HOURS.

14 (5) HOURS OF ADDITIONAL CONTINUING EDUCATION REQUIRED UNDER
15 SUBSECTION (4) (B) DO NOT APPLY TOWARD CONTINUING EDUCATION REQUIRED
16 IN THE NEXT 3-YEAR LICENSE CYCLE. THE DEPARTMENT MAY WAIVE THE
17 REQUIREMENT FOR ADDITIONAL HOURS UNDER SUBSECTION (4) (B) IF THE
18 APPLICANT DEMONSTRATES TO THE DEPARTMENT THAT THE ADDITIONAL HOURS
19 WOULD PRESENT AN UNDUE HARDSHIP ON THE APPLICANT.

20 (6) A REAL ESTATE BROKER, ASSOCIATE BROKER, OR SALESPERSON WHO
21 RECEIVES A LICENSE ISSUED IN THE SECOND OR THIRD YEAR OF A 3-YEAR
22 LICENSE CYCLE IS REQUIRED TO COMPLY WITH THE CONTINUING EDUCATION
23 REQUIREMENTS UNDER SUBSECTION (1), EXCEPT AS FOLLOWS:

24 (A) A REAL ESTATE BROKER, ASSOCIATE BROKER, OR SALESPERSON WHO
25 RECEIVES A LICENSE ISSUED IN THE SECOND YEAR OF THE 3-YEAR LICENSE
26 CYCLE IS REQUIRED TO COMPLETE 12 HOURS OF CONTINUING EDUCATION.

27 (B) A REAL ESTATE BROKER, ASSOCIATE BROKER, OR SALESPERSON WHO

1 RECEIVES A LICENSE ISSUED IN THE THIRD YEAR OF THE 3-YEAR LICENSE
2 CYCLE IS REQUIRED TO COMPLETE 6 HOURS OF CONTINUING EDUCATION.

3 (7) COURSE CREDITS USED TO MEET CONTINUING EDUCATION
4 REQUIREMENTS UNDER THIS SECTION DO NOT APPLY TOWARD THE REAL ESTATE
5 BROKER'S LICENSE PRELICENSURE EDUCATION REQUIREMENTS UNDER SECTION
6 2504, AND COURSE CREDITS SUCCESSFULLY COMPLETED UNDER REAL ESTATE
7 BROKER'S LICENSE PRELICENSURE EDUCATION REQUIREMENTS UNDER SECTION
8 2504 DO NOT APPLY TOWARD THE CONTINUING EDUCATION REQUIREMENTS OF
9 THIS SECTION.

10 Sec. 2508. (1) ~~A THE DEPARTMENT MAY ISSUE A~~ real estate
11 broker's license ~~may be issued to~~ an individual, sole
12 proprietorship, partnership, association, corporation, **LIMITED**
13 **LIABILITY COMPANY**, common law trust, or a combination of those
14 entities. A real estate broker's license **THAT IS** issued to an
15 individual or a sole proprietorship ~~shall entitle~~ **ENTITLES** the
16 individual named on the license to perform acts regulated ~~by~~ **UNDER**
17 this article. Subject to subsection (2), a real estate broker's
18 license issued to a partnership, association, corporation, **LIMITED**
19 **LIABILITY COMPANY**, common law trust, or a combination of those
20 entities ~~shall entitle~~ **ENTITLES** those individuals designated as
21 principals under section 2505(1) to perform acts regulated ~~by~~ **UNDER**
22 this article. A broker's license issued to a partnership,
23 association, corporation, **LIMITED LIABILITY COMPANY**, common law
24 trust, or a combination of those entities is not transferable.

25 (2) Before performing acts regulated under this article, each
26 principal shall apply for and obtain, and any other individual may
27 apply for and obtain, an associate real estate broker's license. An

1 applicant for an associate real estate broker's license ~~shall be~~ **IS**
2 subject to the same requirements as an applicant for a real estate
3 broker's license. ~~An~~ **THE DEPARTMENT SHALL ONLY ISSUE AN** associate
4 real estate broker's license ~~shall only be issued to individuals.~~ **AN**
5 **INDIVIDUAL.**

6 (3) The associate real estate broker's license of a principal
7 who ceases to be connected with a partnership, association,
8 corporation, **LIMITED LIABILITY COMPANY**, common law trust, or a
9 combination of those entities ~~shall be~~ **IS** suspended automatically.

10 (4) An associate real estate broker's license **THAT IS** issued
11 to a principal is not transferable. An associate real estate
12 broker's license issued to a nonprincipal may be transferred in the
13 same manner as provided in section 2507 for the transfer of a real
14 estate salesperson's license.

15 (5) ~~Upon the revocation of~~ **IF** a real estate broker's license
16 **IS REVOKED**, the licenses of all real estate salespersons **WHO ARE**
17 employed by the real estate broker and all affiliated associate
18 real estate brokers ~~shall~~ **ARE** automatically ~~be~~ suspended, pending a
19 change of employer and the issuance of a new license. ~~A~~ **THE**
20 **DEPARTMENT SHALL ISSUE A** new license ~~shall be issued~~ **UNDER THIS**
21 **SUBSECTION** without charge, ~~if~~ the license is issued during the
22 same term in which the original license was issued.

23 (6) **IN THE EVENT OF THE DEATH OR DISABILITY OF A SOLE**
24 **PRINCIPAL ASSOCIATE BROKER, THE DEPARTMENT SHALL ALLOW ALL**
25 **AFFILIATED REAL ESTATE LICENSEES A REASONABLE TIME TO EITHER WIND**
26 **UP THE BUSINESS OF THE REAL ESTATE BROKER OR DESIGNATE A NEW**
27 **PRINCIPAL ASSOCIATE BROKER.**

1 Enacting section 1. R 339.22651 of the Michigan administrative
2 code is rescinded.

3 Enacting section 2. This amendatory act takes effect January
4 1, 2015.