

Act 887 of the 1989 Regular Session.

Act 887

HB1897

By: Representatives Dietz and D. Roberts

"AN ACT TO AMEND THE ARKANSAS REAL ESTATE LICENSE LAW TO PROVIDE DIFFERENT CATEGORIES OF REAL ESTATE BROKERS AND TO IDENTIFY THEIR RESPECTIVE AREAS OF RESPONSIBILITY; TO AUTHORIZE THE ESTABLISHMENT OF AN INACTIVE STATUS OF LICENSURE FOR REAL ESTATE BROKERS AND SALESMEN; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Annotated Section 17-35-101(a) is hereby amended to read as follows:

"(a) As used in this chapter, unless the context otherwise requires:

(1) "Real estate principal broker" means an individual other than a real estate salesman, who for another and for compensation or the expectation of compensation:

- (A) Sells, exchanges, purchases, rents, or leases real estate;
- (B) Offers to sell, exchange, purchase, rent, or lease real estate;
- (C) Negotiates, offers, attempts, or agrees to negotiate the sale, exchange, purchase, rental, or leasing of real estate;
- (D) Lists, offers, attempts, or agrees to list real estate for sale, lease, or exchange;
- (E) Auctions or offers, attempts, or agrees to auction real estate;
- (F) Buys, sells, offers to buy or sell, or otherwise deals in options on real estate or improvements thereon;
- (G) Collects, offers, attempts, or agrees to collect rent for the use of real estate;
- (H) Advertises, or holds himself out as being engaged in the business of buying, selling, exchanging, leasing, or rental of real estate;
- (I) Assists or directs in the procuring of prospects calculated to result in the sale, exchange, leasing, or rental of real estate;
- (J) Assists or directs in the negotiation of any transaction calculated or intended to result in the sale, exchange, leasing, or rental of real estate;
- (K) Engages in the business of charging an advance fee in connection with any contract whereby he undertakes to promote the sale of real estate, either through its listing in a publication issued for that purpose or for referral of information concerning real estate brokers or both;
- (L) Performing any of the foregoing acts as an employee of or on behalf of the owner of real estate, or interest therein, or improvements affixed thereon, for compensation;

(2) 'Real estate executive broker' means any individual who performs any of the activities mentioned above while under the supervision of, or in the employ of, or affiliated with, a licensed real estate principal broker.

(3) 'Real estate associate broker' means any individual who performs any of the activities mentioned above while under the supervision of, or in the employ of, or affiliated with, a licensed real estate principal broker or licensed real estate executive broker.

(4) 'Real estate salesman' means any individual who performs any of the activities mentioned above while under the supervision of, or in the

employ of, or affiliated with, a licensed real estate principal broker or licensed real estate executive broker."

SECTION 2. Arkansas Code Annotated Section 17-35-305 is hereby amended to read as follows:

"17-35-305. Issuance - Display.

(a) The commission shall issue to each licensee a license in such form and size as it may prescribe.

(b) Any broker or salesman who does not wish to engage at the real estate business at the time of issuance of the license may have the license issued on inactive status.

(c) A broker's license shall be at all times conspicuously displayed in his place of business. A salesman's license shall be issued under the sponsorship of a principal broker and shall be displayed in the office of the principal broker."

SECTION 3. Arkansas Code Annotated Section 17-35-307(a) and (b) are hereby amended to read as follows:

"(a) Every license, both active and inactive, shall expire on December 31 of each year.

(b) (1) For active licensees, the commission shall issue a new license for each ensuing year, in the absence of any reason or condition which might warrant the refusal of the granting of a license, upon receipt of the written request of the applicant no later than September 30 of each year upon forms provided by the commission together with the annual fee therefor.

(2) For any broker or salesman who does not wish to engage in the real estate business, the commission shall issue inactive status for each ensuing year, in the absence of any reason or condition which might warrant the refusal of the granting of a license, upon receipt of the written request of the applicant no later than September 30 of each year upon forms provided by the commission together with the annual fee therefor; provided, however, that the commission may by regulation limit the number of renewal periods which a license may be renewed on inactive status. The renewal fee for inactive status shall be the same as for renewal of an active license."

SECTION 4. The Arkansas Real Estate Commission may promulgate such regulations as it deems necessary for the implementation of this act.

SECTION 5. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 6. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: March 22, 1989

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