

ASSEMBLY, No. 535

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman ANGELICA M. JIMENEZ

District 32 (Bergen and Hudson)

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District 33 (Hudson)

SYNOPSIS

Removes examination requirement for relicensure as real estate broker, broker-salesperson or salesperson by licensed real estate referral agents under certain circumstances.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning real estate referral agents and amending
2 R.S.45:15-9.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. R.S.45:15-9 is amended to read as follows:

8 45:15-9. All persons desiring to become real estate brokers,
9 broker-salespersons, salespersons or referral agents shall apply to
10 the commission for a license under the provisions of R.S.45:15-1 et
11 seq. Every applicant for a license as a broker, broker-salesperson,
12 salesperson or referral agent shall be of the age of 18 years or over,
13 and in the case of an association or a corporation the directors
14 thereof shall be of the age of 18 years or over. Application for a
15 license, whether as a real estate broker, broker-salesperson,
16 salesperson or referral agent, shall be made to the commission upon
17 forms prescribed by it and shall be accompanied by an application
18 fee of \$50 which fee shall not be refundable. Every applicant for a
19 license whether as a real estate broker, broker-salesperson,
20 salesperson or referral agent shall have the equivalent of a high
21 school education. The issuance of a license to an applicant who is a
22 nonresident of this State shall be deemed to be his irrevocable
23 consent that service of process upon him as a licensee in any action
24 or proceeding may be made upon him by service upon the secretary
25 of the commission or the person in charge of the office of the
26 commission. The applicant shall furnish evidence of good moral
27 character, and in the case of an association, partnership or
28 corporation, the members, officers or directors thereof shall furnish
29 evidence of good moral character. The commission may make such
30 investigation and require such proof as it deems proper and in the
31 public interest as to the honesty, trustworthiness, character and
32 integrity of an applicant. Any applicant for licensure pursuant to
33 this section and any officer, director, partner or owner of a
34 controlling interest of a corporation or partnership filing for
35 licensure pursuant to this section shall submit to the commission the
36 applicant's name, address, fingerprints and written consent for a
37 criminal history record background check to be performed. The
38 commission is hereby authorized to exchange fingerprint data with
39 and receive criminal history record information from the State
40 Bureau of Identification in the Division of State Police and the
41 Federal Bureau of Investigation consistent with applicable State and
42 federal laws, rules and regulations, for the purposes of facilitating
43 determinations concerning licensure eligibility. The applicant shall
44 bear the cost for the criminal history record background check,
45 including all costs of administering and processing the check.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 The Division of State Police shall promptly notify the commissioner
2 in the event a current holder of a license or prospective applicant,
3 who was the subject of a criminal history record background check
4 pursuant to this section, is arrested for a crime or offense in this
5 State after the date the background check was performed. Every
6 applicant for a license as a broker or broker-salesperson shall have
7 first been the holder of a New Jersey real estate salesperson's
8 license and have been actively engaged on a full-time basis in the
9 real estate brokerage business in this State as a real estate
10 salesperson for three years immediately preceding the date of
11 application, which requirement may be waived by the commission
12 where the applicant has been the holder of a broker's license in
13 another state and actively engaged in the real estate brokerage
14 business for at least three years immediately preceding the date of
15 his application, meets the educational requirements and qualifies by
16 examination. No license as a broker shall be granted to a general
17 partnership or corporation unless at least one of the partners or
18 officers of said general partnership or corporation qualifies as and
19 holds a license as a broker to transact business in the name and on
20 behalf of said general partnership or corporation as its authorized
21 broker and no such authorized broker shall act as a broker on his
22 own individual account unless he is also licensed as a broker in his
23 individual name; the license of said general partnership or
24 corporation shall cease if at least one partner or officer does not
25 hold a license as its authorized broker at all times. A change in the
26 status of the license of an authorized broker to an individual
27 capacity or vice versa shall be effected by application to the
28 commission accompanied by a fee of \$50. No license as a broker
29 shall be granted to a limited partnership unless its general partner
30 qualifies as and holds a license as a broker to transact business in
31 the name of and on behalf of the limited partnership. In the event
32 that a corporation is a general partner of a limited partnership, no
33 license as a broker shall be granted to the limited partnership unless
34 the corporation is licensed as a broker and one of the officers of the
35 corporation qualifies as and holds a license as the corporation's
36 authorized broker.

37 An application for licensure as a referral agent and for any
38 renewal thereof shall include a certification signed by the licensed
39 real estate broker by whom the applicant is or will be employed, on
40 a form and in a manner prescribed by the commission, which
41 certification shall confirm that: the broker and the applicant or
42 renewing referral agent have reviewed the restrictions imposed by
43 law upon the activities of a referral agent; and the applicant or
44 referral agent has acknowledged that he is aware that such activity
45 is limited to referring prospective consumers of real estate
46 brokerage services to that broker.

47 In the event that a person who held a broker, broker-salesperson
48 or salesperson license fails to renew that license and then, in the

1 two years immediately following the expiration date of the last
2 license held, seeks to reinstate such license, the commission shall
3 require, as a condition to such reinstatement during that two-year
4 period, that the applicant submit proof of having completed the
5 continuing education requirement applicable to that license type in
6 the preceding license term.

7 In the event that any person to whom a broker's or broker-
8 salesperson's license has been or shall have been issued shall fail to
9 renew such license or obtain a new license for a period of more than
10 two but less than five consecutive years after the expiration of the
11 last license held, prior to issuing another broker or broker-
12 salesperson license to the person, the commission shall require such
13 person to complete the continuing education requirements
14 applicable to salesperson licensees in the preceding license term, to
15 work as a licensed salesperson on a full-time basis for one full year,
16 to pass the broker's license examination, and to successfully
17 complete a 90-hour general broker's pre-licensure course at a
18 licensed real estate school, as the commission shall prescribe by
19 regulation. In the event that any person to whom a broker's or
20 broker-salesperson's license has been or shall have been issued fails
21 to maintain or renew the license or obtain a new license for a period
22 of more than five consecutive years after the expiration of the last
23 license held, prior to issuing another broker or broker-salesperson
24 license to the person the commission shall require the person to
25 pass the salesperson's license examination and then to work as a
26 licensed salesperson on a full-time basis for three years, to fulfill all
27 of the educational requirements applicable to first time applicants
28 for a broker or broker-salesperson license and to pass the broker's
29 license examination. The commission may, in its discretion,
30 approve for relicensure the former holder of a broker or broker-
31 salesperson license who has not renewed the license or obtained a
32 new license for two or more consecutive years upon a sufficient
33 showing that the applicant was medically unable to do so. All
34 applicants so approved shall pass the broker's license examination
35 and complete the continuing education requirements applicable to
36 broker licensees in the preceding licensure term prior to being
37 relicensed. This paragraph shall not apply to a person reapplying
38 for a broker's or broker-salesperson's license who was licensed as a
39 broker or broker-salesperson and who allowed his license to expire
40 due to subsequent employment in a public agency in this State with
41 responsibility for dealing with matters relating to real estate if the
42 person reapplying does so within one year of termination of that
43 employment.

44 In the event that any person to whom a salesperson's or a referral
45 agent's license has been or shall have been issued shall fail to
46 maintain or renew such license or obtain a new license for a period
47 of two consecutive years or more after the expiration of the last
48 license held, the commission shall require such person to attend a

1 licensed school and pass the State examination prior to issuance of
2 a further license. The commission may, in its discretion, approve
3 for relicensure a salesperson or a referral agent applicant who has
4 not renewed his license or obtained a new license for two or more
5 consecutive years upon a sufficient showing that the applicant was
6 medically unable to do so. All salesperson or referral agent
7 applicants so approved shall pass the salesperson's license
8 examination and, with respect to salespersons, complete the
9 continuing education requirements applicable to salesperson
10 licensees in the preceding licensure term prior to being relicensed.
11 This paragraph shall not apply to a person reapplying for a
12 salesperson's or referral agent's license who was a licensed
13 salesperson or referral agent and who allowed his license to expire
14 due to subsequent employment in a public agency in this State with
15 responsibility for dealing with matters relating to real estate if the
16 person reapplying does so within one year of termination of that
17 employment.

18 A licensed referral agent who was not previously licensed as a
19 broker, broker-salesperson, or salesperson and who has been
20 licensed as a referral agent for the six immediately preceding years
21 or any lesser period of time shall, in order to qualify for licensure as
22 a salesperson, complete up to 30 hours of continuing education as
23 prescribed by commission rule. A person who was previously
24 licensed as a broker, broker-salesperson or salesperson and who has
25 been licensed as a referral agent for the six immediately preceding
26 years or any lesser period of time shall, in order to qualify for the
27 reissuance of a broker, broker-salesperson or salesperson license, as
28 applicable, complete up to 30 hours of continuing education as
29 prescribed by commission rule.

30 A licensed referral agent who was not previously licensed as a
31 broker, broker-salesperson or salesperson and who has been
32 licensed as a referral agent for more than the six immediately
33 preceding years shall, in order to qualify for licensure as a
34 salesperson, be required to complete the pre-licensure education
35 requirement applicable to candidates for licensure as a salesperson
36 and pass the State license examination. A person who was
37 previously licensed as a broker, broker-salesperson or salesperson
38 and who has been licensed as a referral agent for more than the six
39 immediately preceding years shall, in order to qualify for
40 relicensure as a broker, broker-salesperson or salesperson, as
41 applicable, complete **【up to】** 30 hours of continuing education **【as**
42 **prescribed by commission rule and pass the broker license**
43 **examination or the salesperson license examination, as applicable】**,
44 24 hours of which shall be in core topics, including any required
45 continuing education for previous real estate license cycles and the
46 current real estate license cycle in which the referral agent is
47 seeking to change the license type back to broker, broker-
48 salesperson or salesperson. A licensed referral agent who does not

1 complete the required 30 hours of continuing education by the end
2 of the license cycle in which the referral agent is seeking to change
3 the license type back to broker, broker-salesperson or salesperson
4 will lose their license and shall be required to take the 75-hour
5 prelicensure salesperson or referral agent course or 150-hour broker
6 or broker-salesperson course and pass the broker license
7 examination or the salesperson license examination, as applicable,
8 in accordance with R.S.45:15-10 and section 1 of P.L.1966, c.227
9 (C.45:15-10.1).

10 Any referral agent seeking licensure as a real estate broker,
11 broker-salesperson or salesperson shall make application for such
12 license on a form as prescribed by the commission, pay all
13 application and licensure fees as set forth herein, furnish to the
14 commission evidence of the referral agent's good moral character,
15 and be subject to investigation by and required to produce to the
16 commission such proof of the referral agent's honesty,
17 trustworthiness and integrity as the commission deems proper and
18 in the public interest.

19 (cf: P.L.2009, c.238, s.3)

20

21 2. This act shall take effect immediately.

22

23

24 STATEMENT

25

26 The law concerning licensure of real estate brokers, broker-
27 salespersons and salespersons was amended pursuant to P.L.2009,
28 c.238 to create a new licensing category of referral agents, which
29 was also placed under the purview of the New Jersey Real Estate
30 Commission. This bill removes the examination requirement for
31 relicensure as a broker, broker-salesperson, or salesperson in certain
32 cases in which a licensed referral agent, who was previously
33 licensed as a broker, broker-salesperson, or salesperson, and who
34 seeks relicensure as a broker, broker-salesperson, or salesperson, as
35 applicable, has been licensed as a referral agent for more than the
36 six immediately preceding years.

37 The bill provides that relicensure as a broker, broker-salesperson
38 or salesperson, without submitting to an examination, by a person
39 who has been licensed as a referral agent for more than the six
40 immediately preceding years is subject to the person completing 30
41 hours of continuing education. The bill further stipulates that of the
42 30 hours of continuing education, 24 hours must be in core topics,
43 including any required continuing education for previous real estate
44 license cycles and the current real estate license cycle in which the
45 referral agent is seeking to change the license type back to broker,
46 broker-salesperson or salesperson.

47 A licensed referral agent in this category who does not complete
48 the required 30 hours of continuing education by the end of the

1 license cycle in which the referral agent is seeking to change the
2 license type back to broker, broker-salesperson or salesperson will
3 lose the license and will be required to take the 75-hour
4 prelicensure salesperson or referral agent course or 150-hour broker
5 or broker-salesperson course and pass the broker license
6 examination or the salesperson license examination, as applicable.