

**NORTH CAROLINA
REAL ESTATE COMMISSION
Regulatory Affairs Division**

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MEMORANDUM

DATE: October 19, 2016
TO: Miriam Baer
FROM: Janet Thoren
RE: Annual Report

The Annual Report required by G.S. §93B-2(a) requires the Commission to report in item (10) the substance of any anticipated request by the occupational licensing board to the General Assembly to amend statutes related to the occupational licensing board and in item (11) the substance of any anticipated change in rules adopted by the occupational licensing board or the substance of any anticipated adoption of new rules by the occupational licensing board.

Proposed Legislation:

The Commission has not yet considered any potential legislative requests, and therefore there are none known at this time.

Proposed Rule Changes:

In accordance with the Commission's request, proposed Education rule changes and restructuring to simplify rules for schools, instructors, and continuing education and sponsors are as follows:

"Subchapter 58C Prelicensing Education" and "Subchapter 58E Continuing Education" will be repealed (94 rules total). These rules have been reorganized into one unified subchapter, "Subchapter 58H Real Estate Education" and will consist of approximately 38 adopted rules.

The following summary of proposed rule changes includes citations for the rules affected and a brief description of the proposed changes.

Section A .0100 Real Estate Brokers – General Brokerage:

21 NCAC 58A .0101 – Proof of Licensure

The amendments are proposed to allow the use of electronic pocket cards as proof of licensure and to merge the requirements of A .0509, to submit a \$5 duplicate license fee, into this Rule.

21 NCAC 58A .0103 – Broker Name and Address

The amendments are proposed to add a requirement that brokers changing their name of record must show legal proof of such name change; to comply with S.L. 2016-100 (SB 124) the Assumed Business Act recently passed by the General Assembly; and to clarify the use of an unlicensed person's name as a tradename.

21 NCAC 58A .0106 – Deliver of Instruments

The amendments are proposed to clarify a broker's responsibility to deliver information regarding the identity of current or former tenants to property owner clients.

Section A .0300 - Application for Licensure:

21 NCAC 58A .0302 – Filing and Fees

The amendments are proposed to comply with S.L. 2016-117 (HB 728) that increased the broker's application fee from \$30 to \$100.

21 NCAC 58A .0304 – Equivalent Experience Qualifications for Applicants

The amendments are proposed to clarify Prelicensing education waiver requirements.

Section A .0500 - Licensing:

21 NCAC 58A .0502 – Business Entities

The amendments are proposed to clarify that the qualifying broker is affiliated with the firm so that they receive notice if a broker-in-charge were to withdraw their designation and to require brokers to disclose the banking institution where their trust accounts will be held.

21 NCAC 58A .0503 – License Renewal; Penalty for Operating While License Expired

The amendments are proposed to require brokers to disclose the banking institution where their trust accounts are held each time they renew their license and any criminal convictions or disciplinary actions within the previous year.

21 NCAC 58A .0505 – Reinstatement

The amendments are proposed to comply with S.L. 2016-117 (HB 728) that changed a broker's reinstatement application fee to an amount equal to two times the license renewal fee instead of the previous reinstatement fee of \$55 and to clarify the requirements for a broker to reinstate a license.

21 NCAC 58A .0509 – Duplicate License Fee

The amendments are proposed to merge this Rule into A .0101, Proof of Licensure, and to repeal this Rule.

21 NCAC 58A .0511 – Licensing of Persons Licensed in Another Jurisdiction

The amendments are proposed to create a temporary practice permit for military spouses pursuant to N.C.G.S. § 93B-15.1.

21 NCAC 58A .0512 – Death or Incapacity of Sole Proprietor

The adoption of a rule is proposed to create a succession plan if a broker were to become deceased or become incapacitated while serving as a broker-in-charge of a sole proprietorship.

21 NCAC 58A .1905 – Waiver of 90-Hour Postlicensing Education Requirement

The adoption of a rule is proposed to clarify the Postlicensing education waiver requirements.