

# As Passed by the Senate

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REPRESENTATIVES G. Smith, Williams, Cates, Clancy, Kilbane, Collier, Husted, Goodman, Evans, Flowers, Blasdel, Carmichael, Schaffer, Schmidt, Seitz, Lendrum, Brinkman, Olman, Carano, Rhine, D. Miller, Distel, Fedor, Hughes, Reidelbach, Wolpert, Salerno, Grendell, Damschroder, Jones, Niehaus, Sferra, Hartnett, Fessler, Strahorn, Sulzer, Allen, Wilson, Ogg, DeWine, Calvert, Redfern, Key, Woodard, Metelsky, Carey, Hagan, Roman, Otterman, Schneider, Latta, Faber

SENATORS Nein, White, Robert Gardner, Mumper, Harris

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## A BILL

To amend sections 4735.01, 4735.02, 4735.06, 4735.07, 1  
4735.09, 4735.10, 4735.12, 4735.13, 4735.14, 2  
4735.141, 4735.15, 4735.18, and 4735.20 and to 3  
enact sections 4735.022 and 4735.052 of the Revised 4  
Code to allow a real estate broker licensed in 5  
another state to transact business on commercial 6  
property in Ohio in cooperation with an Ohio 7  
licensed real estate broker, to modify conditions 8  
under which compensation for real estate 9  
transactions may be paid, to permit the Ohio Real 10  
Estate Commission to assess a civil penalty against 11  
a person operating without a license required under 12  
the Real Estate Broker Law, and to implement a 13  
three-year license and renewal system for real 14  
estate salespersons and brokers not later than 15  
January 1, 2004. 16

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 4735.01, 4735.02, 4735.06, 4735.07, 17  
4735.09, 4735.10, 4735.12, 4635.13, 4735.14, 4735.141, 4735.15, 18  
4735.18, and 4735.20 be amended and sections 4735.022 and 4735.052 19  
of the Revised Code be enacted to read as follows: 20

**Sec. 4735.01.** As used in this chapter: 21

(A) "Real estate broker" includes any person, partnership, 22  
association, limited liability company, limited liability 23  
partnership, or corporation, foreign or domestic, who for another, 24  
whether pursuant to a power of attorney or otherwise, and who for 25  
a fee, commission, or other valuable consideration, or with the 26  
intention, or in the expectation, or upon the promise of receiving 27  
or collecting a fee, commission, or other valuable consideration 28  
does any of the following: 29

(1) Sells, exchanges, purchases, rents, or leases, or 30  
negotiates the sale, exchange, purchase, rental, or leasing of any 31  
real estate; 32

(2) Offers, attempts, or agrees to negotiate the sale, 33  
exchange, purchase, rental, or leasing of any real estate; 34

(3) Lists, or offers, attempts, or agrees to list, or 35  
auctions, or offers, attempts, or agrees to auction, any real 36  
estate; 37

(4) Buys or offers to buy, sells or offers to sell, or 38  
otherwise deals in options on real estate; 39

(5) Operates, manages, or rents, or offers or attempts to 40  
operate, manage, or rent, other than as custodian, caretaker, or 41  
janitor, any building or portions of buildings to the public as 42  
tenants; 43

(6) Advertises or holds self out as engaged in the business of selling, exchanging, purchasing, renting, or leasing real estate;

(7) Directs or assists in the procuring of prospects or the negotiation of any transaction, other than mortgage financing, which does or is calculated to result in the sale, exchange, leasing, or renting of any real estate;

(8) Is engaged in the business of charging an advance fee or contracting for collection of a fee in connection with any contract whereby the broker undertakes primarily to promote the sale, exchange, purchase, rental, or leasing of real estate through its listing in a publication issued primarily for such purpose, or for referral of information concerning such real estate to brokers, or both, except that this division does not apply to a publisher of listings or compilations of sales of real estate by their owners;

(9) Collects rental information for purposes of referring prospective tenants to rental units or locations of such units and charges the prospective tenants a fee.

(B) "Real estate" includes leaseholds as well as any and every interest or estate in land situated in this state, whether corporeal or incorporeal, whether freehold or nonfreehold, and the improvements on the land, but does not include cemetery interment rights.

(C) "Real estate salesperson" means any person associated with a licensed real estate broker to do or to deal in any acts or transactions set out or comprehended by the definition of a real estate broker, for compensation or otherwise.

(D) "Institution of higher education" means either of the following:

(1) A nonprofit institution as defined in section 1713.01 of

the Revised Code that actually awards, rather than intends to  
award, degrees for fulfilling requirements of academic work beyond  
high school;

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(2) An institution operated for profit that otherwise  
qualifies under the definition of an institution in section  
1713.01 of the Revised Code and that actually awards, rather than  
intends to award, degrees for fulfilling requirements of academic  
work beyond high school.

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(E) "Foreign real estate" means real estate not situated in  
this state and any interest in real estate not situated in this  
state.

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(F) "Foreign real estate dealer" includes any person,  
partnership, association, limited liability company, limited  
liability partnership, or corporation, foreign or domestic, who  
for another, whether pursuant to a power of attorney or otherwise,  
and who for a fee, commission, or other valuable consideration, or  
with the intention, or in the expectation, or upon the promise of  
receiving or collecting a fee, commission, or other valuable  
consideration, does or deals in any act or transaction specified  
or comprehended in division (A) of this section with respect to  
foreign real estate.

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(G) "Foreign real estate salesperson" means any person  
associated with a licensed foreign real estate dealer to do or  
deal in any act or transaction specified or comprehended in  
division (A) of this section with respect to foreign real estate,  
for compensation or otherwise.

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(H) Any person, partnership, association, limited liability  
company, limited liability partnership, or corporation, who, for  
another, in consideration of compensation, by fee, commission,  
salary, or otherwise, or with the intention, in the expectation,  
or upon the promise of receiving or collecting a fee, does, or

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offers, attempts, or agrees to engage in, any single act or 106  
transaction contained in the definition of a real estate broker, 107  
whether an act is an incidental part of a transaction, or the 108  
entire transaction, shall be constituted a real estate broker or 109  
real estate salesperson under this chapter. 110

(I) The terms "real estate broker," "real estate 111  
salesperson," "foreign real estate dealer," and "foreign real 112  
estate salesperson" do not include a person, partnership, 113  
association, limited liability company, limited liability 114  
partnership, or corporation, or the regular employees thereof, who 115  
perform any of the acts or transactions specified or comprehended 116  
in division (A) of this section, whether or not for, or with the 117  
intention, in expectation, or upon the promise of receiving or 118  
collecting a fee, commission, or other valuable consideration: 119

(1) With reference to real estate situated in this state or 120  
any interest in it owned by such person, partnership, association, 121  
limited liability company, limited liability partnership, or 122  
corporation, or acquired on its own account in the regular course 123  
of, or as an incident to the management of the property and the 124  
investment in it; 125

(2) As receiver or trustee in bankruptcy, as guardian, 126  
executor, administrator, trustee, assignee, commissioner, or any 127  
person doing the things mentioned in this section, under authority 128  
or appointment of, or incident to a proceeding in, any court, or 129  
as a public officer, or as executor, trustee, or other bona fide 130  
fiduciary under any trust agreement, deed of trust, will, or other 131  
instrument creating a like bona fide fiduciary obligation; 132

(3) As a public officer while performing the officer's 133  
official duties; 134

(4) As an attorney at law in the performance of the 135  
attorney's duties; 136

(5) As a person who engages in the brokering of the sale of business assets, not including the negotiation of the sale, lease, exchange, or assignment of any interest in real estate;

(6) As a person who ~~enages~~ engages in the sale of manufactured homes as defined in division (C)(4) of section 3781.06 of the Revised Code, or of mobile homes as defined in division (O) of section 4501.01 of the Revised Code, provided the sale does not include the negotiation, sale, lease, exchange, or assignment of any interest in real estate;

(7) As a person who engages in the sale of commercial real estate pursuant to the requirements of section 4735.022 of the Revised Code.

(J) "Physically handicapped licensee" means a person licensed pursuant to this chapter who is under a severe physical disability which is of such a nature as to prevent the person from being able to attend any instruction lasting at least three hours in duration.

(K) "Division of real estate" may be used interchangeably with, and for all purposes has the same meaning as, "division of real estate and professional licensing."

(L) "Superintendent" or "superintendent of real estate" means the superintendent of the division of real estate and professional licensing of this state. Whenever the division or superintendent of real estate is referred to or designated in any statute, rule, contract, or other document, the reference or designation shall be deemed to refer to the division or superintendent of real estate and professional licensing, as the case may be.

(M) "Inactive license" means the license status in which a salesperson's license is in the possession of the division, annually renewed as required under this chapter or rules adopted

under this chapter, and not associated with a real estate broker. 168

(N) "Broker's license on deposit" means the license status in 169  
which a broker's license is in the possession of the division of 170  
real estate and professional licensing and ~~annually~~ renewed as 171  
required under this chapter or rules adopted under this chapter. 172

(O) "Suspended license" means the license status that 173  
prohibits a licensee from providing services that require a 174  
license under this chapter for a specified interval of time. 175

(P) "Reactivate" means the process prescribed by the 176  
superintendent of real estate and professional licensing to remove 177  
a license from an inactive, suspended, or broker's license on 178  
deposit status to allow a licensee to provide services that 179  
require a license under this chapter. 180

(Q) "Revoked" means the license status in which the license 181  
is void and not eligible for reactivation. 182

(R) "Commercial real estate" means any parcel of real estate 183  
in this state other than real estate containing one to four 184  
residential units. "Commercial real estate" does not include 185  
single-family residential units such as condominiums, townhouses, 186  
manufactured homes, or homes in a subdivision when sold, leased, 187  
or otherwise conveyed on a unit-by-unit basis, even when those 188  
units are a part of a larger building or parcel of real estate 189  
containing more than four residential units. 190

(S) "Out-of-state commercial broker" includes any person, 191  
partnership, association, limited liability company, limited 192  
liability partnership, or corporation that is licensed to do 193  
business as a real estate broker in a jurisdiction other than 194  
Ohio. 195

(T) "Out-of-state commercial salesperson" includes any person 196  
affiliated with an out of state commercial broker who is not 197  
licensed as a real estate salesperson in Ohio. 198

Sec. 4735.02. ~~No~~ Except as provided in section 4735.022 of 199  
the Revised Code, no person, partnership, association, limited 200  
liability company, limited liability partnership, or corporation 201  
shall act as a real estate broker or real estate salesperson, or 202  
advertise or assume to act as such, without first being licensed 203  
as provided in this chapter. No person, partnership, association, 204  
limited liability company, limited liability partnership, or 205  
corporation shall provide services that require a license under 206  
this chapter if the licensee's license is inactive, suspended, or 207  
a broker's license on deposit, or if the license has been revoked. 208  
Nothing contained in this chapter shall be construed as 209  
authorizing a real estate broker or salesperson to perform any 210  
service constituting the practice of law. 211

No partnership, association, limited liability company, 212  
limited liability partnership, or corporation holding a real 213  
estate license shall employ as an officer, director, manager, or 214  
principal employee any person previously holding a license as a 215  
real estate broker, real estate salesperson, foreign real estate 216  
dealer, or foreign real estate salesperson, whose license has been 217  
placed in inactive status, suspended, or revoked and who has not 218  
thereafter reactivated the license or received a new license. 219

Sec. 4735.022. (A) An out-of-state commercial broker, for a 220  
fee, commission, or other valuable consideration, or in the 221  
expectation, or upon the promise of receiving or collecting a fee, 222  
commission, or other valuable consideration, may perform those 223  
acts that require a license under this chapter, with respect to 224  
commercial real estate, provided that the out-of-state commercial 225  
broker does all of the following: 226

(1) Works in cooperation with an Ohio real estate broker who 227  
holds a valid, active license issued under this chapter; 228



(2) Enters into a written agreement with the Ohio broker 229  
described in division (A)(1) of this section that includes the 230  
terms of cooperation and compensation and a statement that the 231  
out-of-state commercial broker and its agents will agree to adhere 232  
to the laws of Ohio; 233

(3) Furnishes the Ohio broker described in division (A)(1) of 234  
this section with a copy of the out-of-state commercial broker's 235  
current certificate of good standing from any jurisdiction where 236  
the out-of-state commercial broker maintains an active real estate 237  
license; 238

(4) Files an irrevocable written consent with the Ohio broker 239  
described in division (A)(1) of this section that legal actions 240  
arising out of the conduct of the out-of-state commercial broker 241  
or its agents may be commenced against the out-of-state commercial 242  
broker in the court of proper jurisdiction of any county in Ohio 243  
where the cause of action arises or where the plaintiff resides; 244

(5) Includes the name of the Ohio broker described in 246  
division (A)(1) of this section on all advertising in accordance 247  
with section 4735.16 of the Revised Code; 248

(6) Deposits all escrow funds, security deposits, and other 249  
money received by either the out-of-state commercial broker or 250  
Ohio broker described in division (A)(1) of this section in trust 251  
or special accounts maintained by the Ohio broker; 252

(7) Deposits all documentation required by this section and 253  
records and documents related to the transaction with the Ohio 254  
broker described in division (A)(1) of this section. 255

The Ohio broker described in division (A)(1) of this section 256  
shall retain the documentation that is provided by the 257  
out-of-state commercial broker as required under division (A)(7) 258  
of this section, and the records and documents related to a 259

transaction, for a period of three years after the date the 260  
documentation is provided, or the transaction occurred, as 261  
appropriate. 262

(B) An out-of-state commercial salesperson may perform those 263  
acts that require a real estate salesperson license under this 264  
chapter with respect to commercial real estate, provided that the 265  
out-of-state commercial salesperson meets all of the following 266  
requirements: 267

(1) Is licensed with and works under the direct supervision 268  
of the out-of-state commercial broker; 269

(2) The out-of-state commercial broker with whom the 270  
salesperson is associated meets all of the requirements of 271  
division (A) of this section; 272

(3) Provides the Ohio broker who is working in cooperation 273  
with the out-of-state broker with whom the salesperson is 274  
associated, with a copy of the commercial salesperson's current 275  
certificate of good standing from the jurisdiction where the 276  
out-of-state commercial salesperson maintains an active real 277  
estate license in connection with the out-of-state commercial 278  
broker; 279

(4) Collects money, including commissions, deposits, 280  
payments, rentals, or otherwise, only in the name of and with the 281  
consent of the out-of-state commercial broker under whom the 282  
out-of-state commercial salesperson is licensed. 283

(C) By filing a consent-to-jurisdiction document as described 284  
under division (A)(4) of this section, the person giving the 285  
consent makes and constitutes the secretary of state as an agent 286  
for service of process in this state including service of 287  
summonses and subpoenas. Service of process upon any person may be 288  
initiated by leaving with the secretary of state or an assistant 289  
secretary of state four copies of the process, an affidavit 290

stating the address of the person given on the 291  
consent-to-jurisdiction document, and a fee of five dollars. Upon 292  
receipt of the process, affidavit, and fee, the secretary of state 293  
immediately shall give notice of the process to the person, at the 294  
address given in the affidavit and forward to that address by 295  
certified mail, return receipt requested, a copy of the process. 296  
Service is considered to be complete upon the mailing of the 297  
notice and copy of process in accordance with this division. 298

(D) A person, partnership, association, limited liability 299  
company, limited liability partnership, or corporation licensed in 300  
a jurisdiction where there is no legal distinction between a real 301  
estate broker license and a real estate salesperson license must 302  
meet the requirements of division (A) of this section before 303  
engaging in any activity described in this section that requires a 304  
real estate broker license in this state. 305

**Sec. 4735.052.** (A) Upon receipt of a written complaint or 306  
upon the superintendent's own motion, the superintendent may 307  
investigate any person that has allegedly violated section 4735.02 308  
or 4735.25 of the Revised Code, except that the superintendent 309  
shall not initiate an investigation, pursuant to this section, of 310  
any person who held a valid license under this chapter any time 311  
during the twelve months preceding the date of the alleged 312  
violation. 313

(B) If, after investigation, the superintendent determines 314  
there exists reasonable evidence of a violation of section 4735.02 315  
or 4735.25 of the Revised Code, within seven business days after 316  
that determination, the superintendent shall send the party who is 317  
the subject of the investigation, a written notice, by regular 318  
mail, that includes all of the following information: 319

(1) A description of the activity in which the party 320  
allegedly is engaging or has engaged that is a violation of 321

section 4735.02 or 4735.25 of the Revised Code; 322

(2) The applicable law allegedly violated; 323

(3) A statement informing the party that a hearing concerning 324  
the alleged violation will be held at the next regularly scheduled 325  
meeting of the Ohio real estate commission, and a statement giving 326  
the date and place of that meeting; 327

(4) A statement informing the party that the party or the 328  
party's attorney may appear in person at the hearing and present 329  
evidence and examine witnesses appearing for and against the 330  
party, or the party may submit written testimony stating any 331  
positions, arguments, or contentions. 332

(C) The commission shall hear the testimony of all parties 333  
present at the hearing and consider any written testimony 334  
submitted pursuant to division (B)(4) of this section, and 335  
determine if there has been a violation of section 4735.02 or 336  
4735.25 of the Revised Code. If the commission finds that a 337  
violation has occurred, the commission may assess a civil penalty, 338  
in an amount it determines, not to exceed one thousand dollars per 339  
violation. Each day a violation occurs or continues is a separate 340  
violation. The commission shall determine the terms of payment. 341  
The commission shall maintain a transcript of the proceedings of 342  
the hearing and issue a written opinion to all parties, citing its 343  
findings and grounds for any action taken. 344

(D) Civil penalties collected under this section shall be 345  
deposited in the real estate recovery fund, which is created in 346  
the state treasury under section 4735.12 of the Revised Code. 347

(E) If a party fails to pay a civil penalty assessed pursuant 348  
to this section within the time prescribed by the commission, the 349  
superintendent shall forward to the attorney general the name of 350  
the party and the amount of the civil penalty, for the purpose of 351  
collecting that civil penalty. In addition to the civil penalty 352

assessed pursuant to this section, the party also shall pay any 353  
fee assessed by the attorney general for collection of the civil 354  
penalty. 355

**Sec. 4735.06.** (A) Application for a license as a real estate 356  
broker shall be made to the superintendent of real estate on forms 357  
furnished by the superintendent and filed with the superintendent 358  
and shall be signed by the applicant or its members or officers. 359  
Each application shall state the name of the person applying and 360  
the location of the place of business for which the license is 361  
desired, and give such other information as the superintendent 362  
requires in the form of application prescribed by the 363  
superintendent. 364

If the applicant is a partnership, limited liability company, 365  
limited liability partnership, or association, the names of all 366  
the members also shall be stated, and, if the applicant is a 367  
corporation, the names of its president and of each of its 368  
officers also shall be stated. The superintendent has the right to 369  
reject the application of any partnership, association, limited 370  
liability company, limited liability partnership, or corporation 371  
if the name proposed to be used by such partnership, association, 372  
limited liability company, limited liability partnership, or 373  
corporation is likely to mislead the public or if the name is not 374  
such as to distinguish it from the name of any existing 375  
partnership, association, limited liability company, limited 376  
liability partnership, or corporation licensed under this chapter, 377  
unless there is filed with the application the written consent of 378  
such existing partnership, association, limited liability company, 379  
limited liability partnership, or corporation, executed by a duly 380  
authorized representative of it, permitting the use of the name of 381  
such existing partnership, association, limited liability company, 382  
limited liability partnership, or corporation. 383

(B) A fee of sixty-nine dollars shall accompany the application for a real estate broker's license, which fee ~~shall include the~~ includes the fee for the initial year of the licensing period, if a license if it is issued. The application fee shall be retained by the superintendent if the applicant is admitted to the examination for the license or the examination requirement is waived, but, if an applicant is not so admitted and a waiver is not involved, one-half of the fee shall be retained by the superintendent to cover the expenses of processing the application and the other one-half shall be returned to the applicant. A fee of sixty-nine dollars shall be charged by the superintendent for each successive application made by an applicant. In the case of issuance of a three-year license, upon passing the examination, or upon waiver of the examination requirement, the applicant shall submit an additional fee of ninety-eight dollars, which fee includes the fee for the second and third year of the licensing period, except that the superintendent shall prorate that additional fee based upon the number of years remaining in a real estate salesperson's licensing period.

(C) Four dollars of each application fee for a real estate broker's license shall be credited to the real estate education and research fund, which is hereby created in the state treasury. The Ohio real estate commission may use the fund in discharging the duties prescribed in divisions (E), (F), and (G) of section 4735.03 of the Revised Code and shall use it in the advancement of education and research in real estate at any institution of higher education in the state, or in contracting with any such institution for a particular research or educational project in the field of real estate, or in advancing loans, not exceeding eight hundred dollars, to applicants for salesperson licenses, to defray the costs of satisfying the educational requirements of division (F) of section 4735.09 of the Revised Code. Such loans

shall be made according to rules established by the commission 416  
under the procedures of Chapter 119. of the Revised Code, and they 417  
shall be repaid to the fund within three years of the time they 418  
are made. No more than ten thousand dollars shall be lent from the 419  
fund in any one year. 420

The governor may appoint a representative from the executive 421  
branch to be a member ex officio of the commission for the purpose 422  
of advising on research requests or educational projects. The 423  
commission shall report to the general assembly on the third 424  
Tuesday after the third Monday in January of each year setting 425  
forth the total amount contained in the fund and the amount of 426  
each research grant that it has authorized and the amount of each 427  
research grant requested. A copy of all research reports shall be 428  
submitted to the state library of Ohio and the library of the 429  
legislative service commission. 430

(D) If the superintendent, with the consent of the 431  
commission, enters into an agreement with a national testing 432  
service to administer the real estate broker's examination, 433  
pursuant to division (A) of section 4735.07 of the Revised Code, 434  
the superintendent may require an applicant to pay the testing 435  
service's examination fee directly to the testing service. If the 436  
superintendent requires the payment of the examination fee 437  
directly to the testing service, each applicant shall submit to 438  
the superintendent a processing fee in an amount determined by the 439  
Ohio real estate commission pursuant to division (A)(2) of section 440  
4735.10 of the Revised Code. 441

**Sec. 4735.07.** (A) The superintendent of real estate, with the 442  
consent of the Ohio real estate commission, may enter into 443  
agreements with recognized national testing services to administer 444  
the real estate broker's examination under the superintendent's 445  
supervision and control, consistent with the requirements of this 446  
chapter as to the contents of such examination. 447

(B) No applicant for a real estate broker's license shall 448  
take the broker's examination who has not established to the 449  
satisfaction of the superintendent that the applicant: 450

(1) Is honest, truthful, and of good reputation; 451

(2)(a) Has not been convicted of a felony or crime of moral 452  
turpitude, or if the applicant has been so convicted, the 453  
superintendent has disregarded the conviction because the 454  
applicant has proven to the superintendent, by a preponderance of 455  
the evidence, that the applicant's activities and employment 456  
record since the conviction show that the applicant is honest, 457  
truthful, and of good reputation, and there is no basis in fact 458  
for believing that the applicant again will violate the laws 459  
involved; 460

(b) Has not been finally adjudged by a court to have violated 461  
any municipal, state, or federal civil rights laws relevant to the 462  
protection of purchasers or sellers of real estate or, if the 463  
applicant has been so adjudged, at least two years have passed 464  
since the court decision and the superintendent has disregarded 465  
the adjudication because the applicant has proven, by a 466  
preponderance of the evidence, that the applicant's activities and 467  
employment record since the adjudication show that the applicant 468  
is honest, truthful, and of good reputation, and there is no basis 469  
in fact for believing that the applicant will again violate the 470  
laws involved. 471

(3) Has not, during any period in which the applicant was 472  
licensed under this chapter, violated any provision of, or any 473  
rule adopted pursuant to, this chapter, or, if the applicant has 474  
violated any such provision or rule, has established to the 475  
satisfaction of the superintendent that the applicant will not 476  
again violate such provision or rule; 477

(4) Is at least eighteen years of age; 478



(5) Has been a licensed real estate broker or salesperson for 479  
at least two years; during at least two of the five years 480  
preceding the person's application, has worked as a licensed real 481  
estate broker or salesperson for an average of at least thirty 482  
hours per week; and has completed one of the following: 483

(a) At least twenty real estate transactions, in which 484  
property was sold for another by the applicant while acting in the 485  
capacity of a real estate broker or salesperson; 486

(b) Such equivalent experience as is defined by rules adopted 487  
by the commission. 488

(6)(a) If licensed as a real estate salesperson prior to 489  
August 1, 2001, successfully has completed at an institution of 490  
higher education all of the following: 491

(i) Thirty hours of classroom instruction in real estate 492  
practice; 493

(ii) Thirty hours of classroom instruction that includes the 494  
subjects of Ohio real estate law, municipal, state, and federal 495  
civil rights law, new case law on housing discrimination, 496  
desegregation issues, and methods of eliminating the effects of 497  
prior discrimination. If feasible, the classroom instruction in 498  
Ohio real estate law shall be taught by a member of the faculty of 499  
an accredited law school. If feasible, the classroom instruction 500  
in municipal, state, and federal civil rights law, new case law on 501  
housing discrimination, desegregation issues, and methods of 502  
eliminating the effects of prior discrimination shall be taught by 503  
a staff member of the Ohio civil rights commission who is 504  
knowledgeable with respect to those subjects. The requirements of 505  
this division do not apply to an applicant who is admitted to 506  
practice before the supreme court. 507

(iii) Thirty hours of classroom instruction in real estate 508  
appraisal; 509

(iv) Thirty hours of classroom instruction in real estate	510
finance;	511
(v) Three quarter hours, or its equivalent in semester hours,	512
in financial management;	513
(vi) Three quarter hours, or its equivalent in semester	514
hours, in human resource or personnel management;	515
(vii) Three quarter hours, or its equivalent in semester	516
hours, in applied business economics;	517
(viii) Three quarter hours, or its equivalent in semester	518
hours, in business law.	519
(b) If licensed as a real estate salesperson on or after	520
August 1, 2001, successfully has completed at an institution of	521
higher education all of the following:	522
(i) Forty hours of classroom instruction in real estate	523
practice;	524
(ii) Forty hours of classroom instruction that includes the	525
subjects of Ohio real estate law, municipal, state, and federal	526
civil rights law, new case law on housing discrimination,	527
desegregation issues, and methods of eliminating the effects of	528
prior discrimination. If feasible, the classroom instruction in	529
Ohio real estate law shall be taught by a member of the faculty of	530
an accredited law school. If feasible, the classroom instruction	531
in municipal, state, and federal civil rights law, new case law on	532
housing discrimination, desegregation issues, and methods of	533
eliminating the effects of prior discrimination shall be taught by	534
a staff member of the Ohio civil rights commission who is	535
knowledgeable with respect to those subjects. The requirements of	536
this division do not apply to an applicant who is admitted to	537
practice before the supreme court.	538
(iii) Twenty hours of classroom instruction in real estate	539

appraisal;	540
(iv) Twenty hours of classroom instruction in real estate finance;	541
(v) The training in the amount of hours specified under divisions (B)(6)(a)(v), (vi), (vii), and (viii) of this section.	542
(c) Division (B)(6)(a) or (b) of this section does not apply to any applicant who holds a valid real estate salesperson's license issued prior to January 2, 1972. Divisions (B)(6)(a)(v), (vi), (vii), and (viii) or division (B)(6)(b)(v) of this section do not apply to any applicant who holds a valid real estate salesperson's license issued prior to January 3, 1984.	543
(7) If licensed as a real estate salesperson on or after January 3, 1984, satisfactorily has completed a minimum of two years of post-secondary education, or its equivalent in semester or quarter hours, at an institution of higher education, and has fulfilled the requirements of division (B)(6)(a) or (b) of this section. The requirements of division (B)(6)(a) or (b) of this section may be included in the two years of post-secondary education, or its equivalent in semester or quarter hours, that is required by this division.	544
(C) Each applicant for a broker's license shall be examined in the principles of real estate practice, Ohio real estate law, and financing and appraisal, and as to the duties of real estate brokers and real estate salespersons, the applicant's knowledge of real estate transactions and instruments relating to them, and the canons of business ethics pertaining to them. The commission from time to time shall promulgate such canons and cause them to be published in printed form.	545
(D) Examinations shall be administered with reasonable accommodations in accordance with the requirements of the "Americans with Disabilities Act of 1990," 104 Stat. 327, 42	546

U.S.C. 12101. The contents of an examination shall be consistent  
with the requirements of division (B)(6) of this section and with  
the other specific requirements of this section. An applicant who  
has completed the requirements of division (B)(6) of this section  
at the time of application shall be examined no later than twelve  
months after the applicant is notified of admission to the  
examination.

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(E) The superintendent may waive one or more of the  
requirements of this section in the case of an application from a  
nonresident real estate broker pursuant to a reciprocity agreement  
with the licensing authority of the state from which the  
nonresident applicant holds a valid real estate broker license.

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(F) There shall be no limit placed on the number of times an  
applicant may retake the examination.

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(G)(1) No later than twelve months after the date of issue of  
a real estate broker's license to a licensee, the licensee shall  
submit proof satisfactory to the superintendent, on forms made  
available by the superintendent, of the completion of ten hours of  
classroom instruction in real estate brokerage at an institution  
of higher education or any other institution that is approved by  
the commission. That instruction shall include, but not be limited  
to, current issues in managing a real estate company or office.

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If the required proof of completion is not submitted to the  
superintendent within twelve months of the date a license is  
issued under this section, the license of the real estate broker  
is suspended automatically without the taking of any action by the  
superintendent. The broker's license shall not be reactivated by  
the superintendent until it is established, to the satisfaction of  
the superintendent, that the requirements of this division have  
been met and that the licensee is in compliance with this chapter.  
A licensee's license is revoked automatically without the taking

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of any action by the superintendent if the licensee fails to  
submit proof of completion of the education requirements specified  
under division (G)(1) of this section within twelve months of the  
date the license is suspended.

(2) If the license of a real estate broker is suspended  
pursuant to division (G)(1) of this section, the license of a real  
estate salesperson associated with that broker correspondingly is  
suspended pursuant to division ~~(B)~~(H) of section 4735.20 of the  
Revised Code. However, the suspended license of the associated  
real estate salesperson shall be reactivated and no fee shall be  
charged or collected for that reactivation if all of the following  
occur:

(a) That broker subsequently submits satisfactory proof to  
the superintendent that the broker has complied with the  
requirements of division (G)(1) of this section and requests that  
the broker's license as a real estate broker be reactivated;

(b) The superintendent then reactivates the broker's license  
as a real estate broker;

(c) The associated real estate salesperson intends to  
continue to be associated with that broker and otherwise is in  
compliance with this chapter.

**Sec. 4735.09.** (A) Application for a license as a real estate  
salesperson shall be made to the superintendent of real estate on  
forms furnished by the superintendent and signed by the applicant.  
The application shall be in the form prescribed by the  
superintendent and shall contain such information as is required  
by this chapter and the rules of the Ohio real estate commission.  
The application shall be accompanied by the recommendation of the  
real estate broker with whom the applicant is associated or with  
whom the applicant intends to be associated, certifying that the  
applicant is honest, truthful, and of good reputation, has not

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been convicted of a felony or a crime involving moral turpitude, 634  
and has not been finally adjudged by a court to have violated any 635  
municipal, state, or federal civil rights laws relevant to the 636  
protection of purchasers or sellers of real estate, which 637  
conviction or adjudication the applicant has not disclosed to the 638  
superintendent, and recommending that the applicant be admitted to 639  
the real estate salesperson examination. 640

(B) A fee of forty-nine dollars shall accompany the 641  
application, which fee ~~shall include the~~ includes the fee for the 642  
initial year of the licensing period, if a license if it is 643  
issued. The application fee shall be retained by the 644  
superintendent if the applicant is admitted to the examination for 645  
the license or the examination requirement is waived, but, if an 646  
applicant is not so admitted and a waiver is not involved, 647  
one-half of the fee shall be retained by the superintendent to 648  
cover the expenses of processing the application and the other 649  
one-half shall be returned to the applicant. A fee of forty-nine 650  
dollars shall be charged by the superintendent for each successive 651  
application made by the applicant. In the case of issuance of a 652  
three-year license, upon passing the examination, or upon waiver 653  
of the examination requirement, the applicant shall submit an 654  
additional fee of seventy-eight dollars, which fee includes the 655  
fee for the second and third year of the licensing period. Four 656  
dollars of each application fee shall be credited to the real 657  
estate education and research fund. 658

(C) There shall be no limit placed on the number of times an 659  
applicant may retake the examination. 660

(D) The superintendent, with the consent of the commission, 661  
may enter into an agreement with a recognized national testing 662  
service to administer the real estate salesperson's examination 663  
under the superintendent's supervision and control, consistent 664  
with the requirements of this chapter as to the contents of the 665

examination.

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If the superintendent, with the consent of the commission,  
enters into an agreement with a national testing service to  
administer the real estate salesperson's examination, the  
superintendent may require an applicant to pay the testing  
service's examination fee directly to the testing service. If the  
superintendent requires the payment of the examination fee  
directly to the testing service, each applicant shall submit to  
the superintendent a processing fee in an amount determined by the  
Ohio real estate commission pursuant to division (A)(1) of section  
4735.10 of the Revised Code.

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(E) The superintendent shall issue a real estate  
salesperson's license when satisfied that the applicant has  
received a passing score on each portion of the salesperson's  
examination as determined by rule by the real estate commission,  
except that the superintendent may waive one or more of the  
requirements of this section in the case of an applicant who is a  
licensed real estate salesperson in another state pursuant to a  
reciprocity agreement with the licensing authority of the state  
from which the applicant holds a valid real estate salesperson's  
license.

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(F) No applicant for a salesperson's license shall take the  
salesperson's examination who has not established to the  
satisfaction of the superintendent that the applicant:

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(1) Is honest, truthful, and of good reputation;

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(2)(a) Has not been convicted of a felony or crime of moral  
turpitude or, if the applicant has been so convicted, the  
superintendent has disregarded the conviction because the  
applicant has proven to the superintendent, by a preponderance of  
the evidence, that the applicant's activities and employment  
record since the conviction show that the applicant is honest,

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truthful, and of good reputation, and there is no basis in fact 697  
for believing that the applicant again will violate the laws 698  
involved; 699

(b) Has not been finally adjudged by a court to have violated 700  
any municipal, state, or federal civil rights laws relevant to the 701  
protection of purchasers or sellers of real estate or, if the 702  
applicant has been so adjudged, at least two years have passed 703  
since the court decision and the superintendent has disregarded 704  
the adjudication because the applicant has proven, by a 705  
preponderance of the evidence, that the applicant is honest, 706  
truthful, and of good reputation, and there is no basis in fact 707  
for believing that the applicant again will violate the laws 708  
involved. 709

(3) Has not, during any period in which the applicant was 710  
licensed under this chapter, violated any provision of, or any 711  
rule adopted pursuant to this chapter, or, if the applicant has 712  
violated such provision or rule, has established to the 713  
satisfaction of the superintendent that the applicant will not 714  
again violate such provision or rule; 715

(4) Is at least eighteen years of age; 716

(5) If born after the year 1950, has a high school diploma or 717  
its equivalent as recognized by the state department of education; 718  
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(6)(a) If beginning instruction prior to August 1, 2001, has 720  
successfully completed at an institution of higher education all 721  
of the following: 722

(i) Thirty hours of classroom instruction in real estate 723  
practice; 724

(ii) Thirty hours of classroom instruction that includes the 725  
subjects of Ohio real estate law, municipal, state, and federal 726  
civil rights law, new case law on housing discrimination, 727



desegregation issues, and methods of eliminating the effects of 728  
prior discrimination. If feasible, the classroom instruction in 729  
Ohio real estate law shall be taught by a member of the faculty of 730  
an accredited law school. If feasible, the classroom instruction 731  
in municipal, state, and federal civil rights law, new case law on 732  
housing discrimination, desegregation issues, and methods of 733  
eliminating the effects of prior discrimination shall be taught by 734  
a staff member of the Ohio civil rights commission who is 735  
knowledgeable with respect to those subjects. The requirements of 736  
this division do not apply to an applicant who is admitted to 737  
practice before the supreme court. 738

(iii) Thirty hours of classroom instruction in real estate 739  
appraisal; 740

(iv) Thirty hours of classroom instruction in real estate 741  
finance. 742

(b) Any person who has not been licensed as a real estate 743  
salesperson or broker within a four-year period immediately 744  
preceding the person's current application for the salesperson's 745  
examination shall have successfully completed the classroom 746  
instruction required by division (F)(6)(a) of this section within 747  
a ten-year period immediately preceding the person's current 748  
application for the salesperson's examination. 749

(7) If beginning instruction, as determined by the 750  
superintendent, on or after August 1, 2001, has successfully 751  
completed at an institution of higher education all of the 752  
following: 753

(a) Forty hours of classroom instruction in real estate 754  
practice; 755

(b) Forty hours of classroom instruction that includes the 756  
subjects of Ohio real estate law, municipal, state, and federal 757  
civil rights law, new case law on housing discrimination, 758

desegregation issues, and methods of eliminating the effects of 759  
prior discrimination. If feasible, the classroom instruction in 760  
Ohio real estate law shall be taught by a member of the faculty of 761  
an accredited law school. If feasible, the classroom instruction 762  
in municipal, state, and federal civil rights law, new case law on 763  
housing discrimination, desegregation issues, and methods of 764  
eliminating the effects of prior discrimination shall be taught by 765  
a staff member of the Ohio civil rights commission who is 766  
knowledgeable with respect to those subjects. The requirements of 767  
this division do not apply to an applicant who is admitted to 768  
practice before the supreme court. 769

(c) Twenty hours of classroom instruction in real estate 770  
appraisal; 771

(d) Twenty hours of classroom instruction in real estate 772  
finance. 773

(G) No later than twelve months after the date of issue of a 774  
real estate salesperson license to a licensee, the licensee shall 775  
submit proof satisfactory to the superintendent, on forms made 776  
available by the superintendent, of completion, at an institution 777  
of higher education or any other institution approved by the 778  
commission, of ten hours of classroom instruction in real estate 779  
courses that cover current issues regarding consumers, real estate 780  
practice, ethics, and real estate law. 781

If proof of completion of the required instruction is not 782  
submitted within twelve months of the date a license is issued 783  
under this section, the licensee's license is suspended 784  
automatically without the taking of any action by the 785  
superintendent. The superintendent immediately shall notify the 786  
broker with whom such salesperson is associated of the suspension 787  
of the salesperson's license. A salesperson whose license has been 788  
suspended under this division shall have twelve months after the 789  
date of the suspension of the salesperson's license to submit 790

proof of successful completion of the instruction required under 791  
this division. No such license shall be reactivated by the 792  
superintendent until it is established, to the satisfaction of the 793  
superintendent, that the requirements of this division have been 794  
met and that the licensee is in compliance with this chapter. A 795  
licensee's license is revoked automatically without the taking of 796  
any action by the superintendent when the licensee fails to submit 797  
the required proof of completion of the education requirements 798  
under division (G) of this section within twelve months of the 799  
date the license is suspended. 800

(H) Examinations shall be administered with reasonable 801  
accommodations in accordance with the requirements of the 802  
"Americans with Disabilities Act of 1990," 104 Stat. 327, 42 803  
U.S.C. 12101. The contents of an examination shall be consistent 804  
with the classroom instructional requirements of division (F)(6) 805  
or (7) of this section. An applicant who has completed the 806  
classroom instructional requirements of division (F)(6) or (7) of 807  
this section at the time of application shall be examined no later 808  
than twelve months after the applicant is notified of the 809  
applicant's admission to the examination. 810

**Sec. 4735.10.** (A)(1) The Ohio real estate commission may 811  
adopt reasonable rules in accordance with Chapter 119. of the 812  
Revised Code, necessary for implementing the provisions of this 813  
chapter relating, but not limited to, the following: 814

(a) The form and manner of filing applications for license; 815

(b) Times and form of examination for license; 816

(c) Placing an existing broker's license on deposit or a 817  
salesperson's license on an inactive status for an indefinite 818  
period. 819

(2) The commission shall adopt reasonable rules in accordance 820

with Chapter 119. of the Revised Code, for implementing the 821  
provisions of this chapter relating to the following: 822

(a) The issuance, renewal, suspension, and revocation of 823  
licenses, other sanctions that may be imposed for violations of 824  
this chapter, the conduct of hearings related to these actions, 825  
and the process of reactivating a license; 826

(b) By not later than January 1, 2004, a three-year license 827  
and a three-year license renewal system; 828

(c) Standards for the approval of courses of study required 829  
for licenses, or offered in preparation for license examinations, 830  
or required as continuing education for licenses. The rules shall 831  
specify that no standard for the approval of a course of study 832  
required as continuing education for licensees shall require that 833  
licensees pass an examination as a condition for the successful 834  
completion of a continuing education requirement. A person 835  
providing a continuing education course may administer 836  
examinations for the purpose of evaluating the effectiveness of 837  
the course. 838

~~(e)~~(d) Guidelines to ensure that continuing education classes 839  
are open to all persons licensed under this chapter. The rules 840  
shall specify that an organization that sponsors a continuing 841  
education class may offer its members a reasonable reduction in 842  
the fees charged for the class. 843

~~(d)~~(e) Requirements for trust accounts and property 844  
management accounts. The rules shall specify that: 845

(i) Brokerages engaged in the management of property for 846  
another may, pursuant to a written contract with the property 847  
owner, exercise signatory authority for withdrawals from property 848  
management accounts maintained in the name of the property owner. 849  
The exercise of authority for withdrawals does not constitute a 850  
violation of any provision of division (A) of section 4735.18 of 851

the Revised Code.	852
(ii) The interest earned on property management trust accounts maintained in the name of the property owner or the broker shall be payable to the property owner unless otherwise specified in a written contract.	853 854 855 856
<del>(e) Annual notice</del> <u>(f) Notice</u> of renewal forms and filing deadlines;	857 858
<del>(f)</del> <u>(g)</u> Special assessments under division (A) of section 4735.12 of the Revised Code.	859 860
(B) The commission may adopt rules in accordance with Chapter 119. of the Revised Code establishing standards and guidelines with which the superintendent of real estate shall comply in the exercise of the following powers:	861 862 863 864
(1) Appointment and recommendation of ancillary trustees under section 4735.05 of the Revised Code;	865 866
(2) Rejection of names proposed to be used by partnerships, associations, limited liability companies, limited liability partnerships, and corporations, under division (A) of section 4735.06 of the Revised Code;	867 868 869 870
(3) Acceptance and rejection of applications to take the broker and salesperson examinations and licensure, with appropriate waivers pursuant to division (E) of section 4735.07 and section 4735.09 of the Revised Code;	871 872 873 874
(4) Approval of applications of brokers to place their licenses on deposit and to become salespersons under section 4735.13 of the Revised Code;	875 876 877
(5) Appointment of hearing examiners under section 119.09 of the Revised Code;	878 879
(6) Acceptance and rejection of applications to take the foreign real estate dealer and salesperson examinations and	880 881

licensure, with waiver of examination, under sections 4735.27 and  
4735.28 of the Revised Code;

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(7) Qualification of foreign real estate under section  
4735.25 of the Revised Code.

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If at any time there is no rule in effect establishing a  
guideline or standard required by this division, the  
superintendent may adopt a rule in accordance with Chapter 119. of  
the Revised Code for such purpose.

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(C) The commission or superintendent may hear testimony in  
matters relating to the duties imposed upon them, and the  
president of the commission and superintendent may administer  
oaths. The commission or superintendent may require other proof of  
the honesty, truthfulness, and good reputation of any person named  
in an application for a real estate broker's or real estate  
salesperson's license before admitting the applicant to the  
examination or issuing a license.

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**Sec. 4735.12.** (A) The real estate recovery fund is hereby  
created in the state treasury, to be administered by the  
superintendent of real estate. Amounts collected by the  
superintendent as prescribed in this section and interest earned  
on the assets of the fund shall be credited by the treasurer of  
state to the fund. The amount of money in the fund shall be  
ascertained by the superintendent as of the first day of July of  
each year.

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The commission, in accordance with rules adopted under  
division (A)(2)~~(f)~~(g) of section 4735.10 of the Revised Code,  
shall impose a special assessment not to exceed ten dollars  
annually per year for each year of a licensing period on each  
licensee filing a notice of renewal under section 4735.14 of the  
Revised Code if the amount available in the fund is less than one  
million dollars on the first day of July preceding that filing.

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The commission may impose a special assessment not to exceed five 913  
dollars ~~annually per year for each year of a licensing period~~ if 914  
the amount available in the fund is greater than one million 915  
dollars, but less than two million dollars on the first day of 916  
July preceding that filing. The commission shall not impose a 917  
special assessment if the amount available in the fund exceeds two 918  
million dollars on the first day of July preceding that filing. 919

(B)(1) Any person who obtains a final judgment in any court 920  
of competent jurisdiction against any broker or salesperson 921  
licensed under this chapter, on the grounds of conduct that is in 922  
violation of this chapter or the rules adopted under it, and that 923  
is associated with an act or transaction that only a licensed real 924  
estate broker or licensed real estate salesperson is authorized to 925  
perform as specified in division (A) or (C) of section 4735.01 of 926  
the Revised Code, may file a verified application, as described in 927  
division (B)(3) of this section, in any court of common pleas for 928  
an order directing payment out of the real estate recovery fund of 929  
the portion of the judgment that remains unpaid and that 930  
represents the actual and direct loss sustained by the applicant. 931

(2) Punitive damages, attorney's fees, and interest on a 932  
judgment are not recoverable from the fund. In the discretion of 933  
the superintendent of real estate, court costs may be recovered 934  
from the fund, and, if the superintendent authorizes the recovery 935  
of court costs, the order of the court of common pleas then may 936  
direct their payment from the fund. 937

(3) The application shall specify the nature of the act or 938  
transaction upon which the underlying judgment was based, the 939  
activities of the applicant in pursuit of remedies available under 940  
law for the collection of judgments, and the actual and direct 941  
losses, attorney's fees, and the court costs sustained or incurred 942  
by the applicant. The applicant shall attach to the application a 943  
copy of each pleading and order in the underlying court action. 944

(4) The court shall order the superintendent to make such payments out of the fund when the person seeking the order has shown all of the following:

(a) The person has obtained a judgment, as provided in this division;

(b) All appeals from the judgment have been exhausted and the person has given notice to the superintendent, as required by division (C) of this section;

(c) The person is not a spouse of the judgment debtor, or the personal representative of such spouse;

(d) The person has diligently pursued the person's remedies against all the judgment debtors and all other persons liable to the person in the transaction for which the person seeks recovery from the fund;

(e) The person is making the person's application not more than one year after termination of all proceedings, including appeals, in connection with the judgment.

(5) Divisions (B)(1) to (4) of this section do not apply to any of the following:

(a) Actions arising from property management accounts maintained in the name of the property owner;

(b) A bonding company when it is not a principal in a real estate transaction;

(c) A person in an action for the payment of a commission or fee for the performance of an act or transaction specified or comprehended in division (A) or (C) of section 4735.01 of the Revised Code;

(d) Losses incurred by investors in real estate if the applicant and the licensee are principals in the investment.



(C) A person who applies to a court of common pleas for an order directing payment out of the fund shall file notice of the application with the superintendent. The superintendent may defend any such action on behalf of the fund and shall have recourse to all appropriate means of defense and review, including examination of witnesses, verification of actual and direct losses, and challenges to the underlying judgment required in division (B)(4)(a) of this section to determine whether the underlying judgment is based on activity only a licensed broker or licensed salesperson is permitted to perform. The superintendent may move the court at any time to dismiss the application when it appears there are no triable issues and the application is without merit. The motion may be supported by affidavit of any person having knowledge of the facts and may be made on the basis that the application, including the judgment referred to in it, does not form the basis for a meritorious recovery claim; provided, that the superintendent shall give written notice to the applicant at least ten days before such motion. The superintendent may, subject to court approval, compromise a claim based upon the application of an aggrieved party. The superintendent shall not be bound by any prior compromise or stipulation of the judgment debtor.

(D) Notwithstanding any other provision of this section, the liability of the fund shall not exceed forty thousand dollars for any one licensee. If a licensee's license is reactivated as provided in division (E) of this section, the liability of the fund for the licensee under this section shall again be forty thousand dollars, but only for transactions that occur subsequent to the time of reactivation.

If the forty-thousand-dollar liability of the fund is insufficient to pay in full the valid claims of all aggrieved persons by whom claims have been filed against any one licensee,

the forty thousand dollars shall be distributed among them in the  
ratio that their respective claims bear to the aggregate of valid  
claims or in such other manner as the court finds equitable.  
Distribution of moneys shall be among the persons entitled to  
share in it, without regard to the order of priority in which  
their respective judgments may have been obtained or their claims  
have been filed. Upon petition of the superintendent, the court  
may require all claimants and prospective claimants against one  
licensee to be joined in one action, to the end that the  
respective rights of all such claimants to the fund may be  
equitably adjudicated and settled.

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(E) If the superintendent pays from the fund any amount in  
settlement of a claim or toward satisfaction of a judgment against  
a licensed broker or salesperson, the license of the broker or  
salesperson shall be automatically suspended upon the date of  
payment from the fund. The superintendent shall not reactivate the  
suspended license of that broker or salesperson until the broker  
or salesperson has repaid in full, plus interest per annum at the  
rate specified in division (A) of section 1343.03 of the Revised  
Code, the amount paid from the fund on the broker's or  
salesperson's account. A discharge in bankruptcy does not relieve  
a person from the suspension and requirements for reactivation  
provided in this section unless the underlying judgment has been  
included in the discharge and has not been reaffirmed by the  
debtor.

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(F) If, at any time, the money deposited in the fund is  
insufficient to satisfy any duly authorized claim or portion of a  
claim, the superintendent shall, when sufficient money has been  
deposited in the fund, satisfy such unpaid claims or portions, in  
the order that such claims or portions were originally filed, plus  
accumulated interest per annum at the rate specified in division  
(A) of section 1343.03 of the Revised Code.

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(G) When, upon the order of the court, the superintendent has  
paid from the fund any sum to the judgment creditor, the  
superintendent shall be subrogated to all of the rights of the  
judgment creditor to the extent of the amount so paid, and the  
judgment creditor shall assign all the judgment creditor's right,  
title, and interest in the judgment to the superintendent to the  
extent of the amount so paid. Any amount and interest so recovered  
by the superintendent on the judgment shall be deposited in the  
fund.

(H) Nothing contained in this section shall limit the  
authority of the superintendent to take disciplinary action  
against any licensee under other provisions of this chapter; nor  
shall the repayment in full of all obligations to the fund by any  
licensee nullify or modify the effect of any other disciplinary  
proceeding brought pursuant to this chapter.

(I) The superintendent shall collect from the fund a service  
fee in an amount equivalent to the interest rate specified in  
division (A) of section 1343.03 of the Revised Code multiplied by  
the annual interest earned on the assets of the fund, to defray  
the expenses incurred in the administration of the fund.

**Sec. 4735.13.** (A) The license of a real estate broker shall  
be prominently displayed in the office or place of business of the  
broker, and no license shall authorize the licensee to do business  
except from the location specified in it. If the broker maintains  
more than one place of business within the state, the broker shall  
apply for and procure a duplicate license for each branch office  
maintained by the broker. Each branch office shall be in the  
charge of a licensed broker or salesperson. The branch office  
license shall be prominently displayed at the branch office  
location.

(B) The license of each real estate salesperson shall be

mailed to and remain in the possession of the licensed broker with  
whom the salesperson is or is to be associated until the licensee  
places the license on inactive status or until the salesperson  
leaves the brokerage or is terminated. The broker shall keep each  
salesperson's license in a way that it can, and shall on request,  
be made immediately available for public inspection at the office  
or place of business of the broker. Except as provided in division  
(G) of this section, immediately upon the salesperson's leaving  
the association or termination of the association of a real estate  
salesperson with the broker, the broker shall return the  
salesperson's license to the superintendent of real estate.

The failure of a broker to return the license of a real  
estate salesperson who leaves or who is terminated within three  
business days of the receipt of a written request from the  
salesperson for the return of the license, when a copy of the  
request also is forwarded to the superintendent, is ~~prima facie~~  
prima-facie evidence of misconduct under division (A)(6) of  
section 4735.18 of the Revised Code.

(C) Any licensee who is convicted of a felony or a crime  
involving moral turpitude or of violating any federal, state, or  
municipal civil rights law pertaining to discrimination in  
housing, or any court that issues a finding of an unlawful  
discriminatory practice pertaining to housing accommodations  
described in division (H) of section 4112.02 of the Revised Code  
or that convicts a licensee of a violation of any municipal civil  
rights law pertaining to housing discrimination, shall notify the  
superintendent of the conviction or finding within fifteen days.  
If a licensee fails to notify the superintendent within the  
required time, the superintendent immediately may revoke the  
license of the licensee.

Any court that convicts a licensee of a violation of any  
municipal civil rights law pertaining to housing discrimination

also shall notify the Ohio civil rights commission within fifteen 1101  
days of the conviction. 1102

(D) In case of any change of business location, a broker 1103  
shall give notice in writing to the superintendent, whereupon the 1104  
superintendent shall issue new licenses for the unexpired period 1105  
without charge. If a broker changes a business location without 1106  
giving the required notice and without receiving new licenses that 1107  
action is prima-facie evidence of misconduct under division (A)(6) 1108  
of section 4735.18 of the Revised Code. 1109

(E) If a real estate broker desires to associate with another 1110  
real estate broker in the capacity of a real estate salesperson, 1111  
the broker shall apply to the superintendent to deposit the 1112  
broker's real estate broker's license with the superintendent and 1113  
for the issuance of a real estate salesperson's license. The 1114  
application shall be made on a form prescribed by the 1115  
superintendent and shall be accompanied by the recommendation of 1116  
the real estate broker with whom the applicant intends to become 1117  
associated and a fee of twenty-five dollars for the real estate 1118  
salesperson's license. Four dollars of the fee shall be credited 1119  
to the real estate education and research fund. If the 1120  
superintendent is satisfied that the applicant is honest, 1121  
truthful, and of good reputation, has not been convicted of a 1122  
felony or a crime involving moral turpitude, and has not been 1123  
finally adjudged by a court to have violated any municipal, state, 1124  
or federal civil rights laws relevant to the protection of 1125  
purchasers or sellers of real estate, and that the association of 1126  
the real estate broker and the applicant will be in the public 1127  
interest, the superintendent shall grant the application and issue 1128  
a real estate salesperson's license to the applicant. Any license 1129  
so deposited with the superintendent shall be subject to this 1130  
chapter. A broker who intends to deposit the broker's license with 1131  
the superintendent, as provided in this section, shall give 1132

written notice of this fact in a format prescribed by the 1133  
superintendent to all salespersons associated with the broker when 1134  
applying to place the broker's license on deposit. 1135

(F) If a real estate broker desires to become a member or 1136  
officer of a partnership, association, limited liability company, 1137  
limited liability partnership, or corporation that is or intends 1138  
to become a licensed real estate broker, the broker shall notify 1139  
the superintendent of the broker's intentions. The notice of 1140  
intention shall be on a form prescribed by the superintendent and 1141  
shall be accompanied by a fee of twenty-five dollars. Four dollars 1142  
of the fee shall be credited to the real estate education and 1143  
research fund. 1144

No real estate broker who is a member or officer of a 1145  
partnership, association, limited liability company, limited 1146  
liability partnership, or corporation that is a licensed real 1147  
estate broker shall perform any acts as a real estate broker other 1148  
than as the agent of the partnership, association, limited 1149  
liability company, limited liability partnership, or corporation, 1150  
and such broker shall not have any real estate salespersons 1151  
associated with the broker. 1152

(G) If a real estate broker or salesperson enters the armed 1153  
forces, the broker or salesperson may place the broker's or 1154  
salesperson's license on deposit with the Ohio real estate 1155  
commission. The licensee shall not be required to renew the 1156  
license ~~annually~~ until the renewal date that follows the date of 1157  
discharge from the armed forces. Any license deposited with the 1158  
commission shall be subject to this chapter. Any licensee whose 1159  
license is on deposit under this division and who fails to meet 1160  
the continuing education requirements of section 4735.141 of the 1161  
Revised Code because the licensee is in the armed forces shall 1162  
satisfy the commission that the licensee has complied with the 1163  
continuing education requirements within twelve months of the 1164

licensee's discharge. The commission shall notify the licensee of 1165  
the licensee's obligations under section 4735.141 of the Revised 1166  
Code at the time the licensee applies for reactivation of the 1167  
licensee's license. 1168

**Sec. 4735.14.** (A) Each license issued under this chapter, 1169  
shall be valid without further recommendation or examination until 1170  
placed in an inactive status, revoked, suspended, or such license 1171  
expires by operation of law. 1172

(B) Each licensed broker, brokerage, or salesperson shall 1173  
file, on or before the date the Ohio real estate commission has 1174  
adopted by rule for that licensee in accordance with division 1175  
(A)(2)(~~e~~)(f) of section 4735.10 of the Revised Code, a notice of 1176  
renewal on a form prescribed by the superintendent of real estate. 1177  
The licensee shall indicate on the form whether the licensee 1178  
wishes to maintain the licensee's license in an active or inactive 1179  
status. The notice of renewal shall be mailed by the 1180  
superintendent to the most current personal residence address of 1181  
each broker or salesperson as filed with the superintendent by the 1182  
licensee and the place of business address of the brokerage two 1183  
months prior to the filing deadline. 1184

(C) The license of any real estate broker, brokerage, or 1185  
salesperson that fails to file a notice of renewal on or before 1186  
the filing deadline of each ensuing year shall be suspended 1187  
automatically without the taking of any action by the 1188  
superintendent. A suspended license may be reactivated within 1189  
twelve months of the date of suspension, provided that the renewal 1190  
fee plus a penalty fee of fifty per cent of the renewal fee is 1191  
paid to the superintendent. Failure to reactivate the license as 1192  
provided in this division shall result in automatic revocation of 1193  
the license without the taking of any action by the 1194  
superintendent. No person, partnership, association, corporation, 1195  
limited liability company, or limited partnership shall engage in 1196

any act or acts for which a real estate license is required while  
that entity's license is placed in an inactive status, suspended,  
or revoked. The commission shall adopt rules in accordance with  
Chapter 119. of the Revised Code to provide to licensees notice of  
suspension or revocation or both.

(D) Each licensee shall notify the commission of a change in  
personal residence address. A licensee's failure to notify the  
commission of a change in personal residence address does not  
negate the requirement to file the license renewal by the required  
deadline established by the commission by rule under division  
(A)(2)~~(e)~~(f) of section 4735.10 of the Revised Code.

(E) The superintendent shall not renew a license if the  
licensee is not in compliance with this chapter.

**Sec. 4735.141.** (A) Except as otherwise provided in this  
division, each person licensed under section 4735.07 or 4735.09 of  
the Revised Code shall submit proof satisfactory to the  
superintendent of real estate that the licensee has satisfactorily  
completed thirty hours of continuing education, as prescribed by  
the Ohio real estate commission pursuant to section 4735.10 of the  
Revised Code, on or before the licensee's birthday occurring three  
years after the licensee's date of initial licensure, and on or  
before the licensee's birthday every three years thereafter.

Persons licensed as real estate salespersons who subsequently  
become licensed real estate brokers shall continue to submit proof  
of continuing education in accordance with the time period  
established in this section.

The requirements of this section shall not apply to any  
physically handicapped licensee as provided in division (E) of  
this section.

Each licensee who is seventy years of age or older on June



14, 1999, shall submit, on or before the licensee's birthday 1227  
occurring three years after June 30, 1999, and on or before the 1228  
licensee's birthday every three years thereafter, proof 1229  
satisfactory to the superintendent of real estate that the 1230  
licensee has satisfactorily completed a total of nine classroom 1231  
hours of continuing education, including instruction in Ohio real 1232  
estate law; recently enacted state and federal laws affecting the 1233  
real estate industry; municipal, state, and federal civil rights 1234  
law; and canons of ethics for the real estate industry as adopted 1235  
by the commission. A licensee who is seventy years of age or older 1236  
whose license is in an inactive status is exempt from the 1237  
continuing education requirements specified in this section. The 1238  
commission shall adopt reasonable rules in accordance with Chapter 1239  
119. of the Revised Code to carry out the purposes of this 1240  
paragraph. 1241

A person providing any course of continuing education may 1242  
administer examinations to licensees for the purpose of evaluating 1243  
the effectiveness of the course, but passage of an examination by 1244  
a licensee shall not be a condition for successful completion of 1245  
the continuing education requirements of this section. 1246

(B) The continuing education requirements of this section 1247  
shall be completed in schools, seminars, and educational 1248  
institutions approved by the commission. Such approval shall be 1249  
given according to rules established by the commission under the 1250  
procedures of Chapter 119. of the Revised Code, and shall not be 1251  
limited to institutions providing two-year or four-year degrees. 1252  
Each school, seminar, or educational institution approved under 1253  
this division shall be open to all licensees on an equal basis. 1254

(C) If the requirements of this section are not met by a 1255  
licensee within the period specified, the licensee's license shall 1256  
be suspended automatically without the taking of any action by the 1257  
superintendent. The superintendent shall notify the licensee of 1258

the license suspension. Any license so suspended shall remain 1259  
suspended until it is reactivated by the superintendent. No such 1260  
license shall be reactivated until it is established, to the 1261  
satisfaction of the superintendent, that the requirements of this 1262  
section have been met. If the requirements of this section are not 1263  
met within twelve months from the date the license was suspended, 1264  
the license shall be revoked automatically without the taking of 1265  
any action by the superintendent. 1266

(D) If the license of a real estate broker is suspended 1267  
pursuant to division (C) of this section, the license of a real 1268  
estate salesperson associated with that broker correspondingly is 1269  
suspended pursuant to division ~~(B)~~(H) of section 4735.20 of the 1270  
Revised Code. However, the suspended license of the associated 1271  
real estate salesperson shall be reactivated and no fee shall be 1272  
charged or collected for that reactivation if all of the following 1273  
occur: 1274

(1) That broker subsequently submits proof to the 1275  
superintendent that the broker has complied with the requirements 1276  
of this section and requests that the broker's license as a real 1277  
estate broker be reactivated. 1278

(2) The superintendent then reactivates the broker's license 1279  
as a real estate broker. 1280

(3) The associated real estate salesperson intends to 1281  
continue to be associated with that broker, has complied with the 1282  
requirements of this section, and otherwise is in compliance with 1283  
this chapter. 1284

Any person whose license is reactivated pursuant to this 1285  
division shall submit proof satisfactory to the superintendent 1286  
that the person has completed thirty hours of continuing 1287  
education, as prescribed by the Ohio real estate commission, on or 1288  
before the third year following the licensee's birthday occurring 1289

immediately after reactivation. 1290

(E) Any licensee who is a physically handicapped licensee at 1291  
any time during the last three months of the third year of the 1292  
licensee's continuing education reporting period may receive an 1293  
extension of time to submit proof to the superintendent that the 1294  
licensee has satisfactorily completed the required thirty hours of 1295  
continuing education. To receive an extension of time, the 1296  
licensee shall submit a request to the division of real estate for 1297  
the extension and proof satisfactory to the commission that the 1298  
licensee was a physically handicapped licensee at some time during 1299  
the last three months of the three-year reporting period. The 1300  
proof shall include, but is not limited to, a signed statement by 1301  
the licensee's attending physician describing the physical 1302  
disability, certifying that the licensee's disability is of such a 1303  
nature as to prevent the licensee from attending any instruction 1304  
lasting at least three hours in duration, and stating the expected 1305  
duration of the physical disability. The licensee shall request 1306  
the extension and provide the physician's statement to the 1307  
division no later than one month prior to the end of the 1308  
licensee's three-year continuing education reporting period, 1309  
unless the physical disability did not arise until the last month 1310  
of the three-year reporting period, in which event the licensee 1311  
shall request the extension and provide the physician's statement 1312  
as soon as practical after the occurrence of the physical 1313  
disability. A licensee granted an extension pursuant to this 1314  
division who is no longer a physically handicapped licensee and 1315  
who submits proof of completion of the continuing education during 1316  
the extension period, shall submit, for future continuing 1317  
education reporting periods, proof of completion of the continuing 1318  
education requirements according to the schedule established in 1319  
division (A) of this section. 1320

**Sec. 4735.15.** (A) The fees for ~~branch office licenses,~~ 1321

~~transfers, annual renewals, late filings, and foreign real estate~~ 1322  
~~dealer and salesperson licenses~~ reactivation or transfer of a 1323  
license shall be as follows: 1324

~~(A) Branch office license, eight dollars;~~ 1325

~~(B)(1)~~ Reactivation or transfer of a broker's license into or 1326  
out of a partnership, association, limited liability company, 1327  
limited liability partnership, or corporation or from one 1328  
partnership, association, limited liability company, limited 1329  
liability partnership, or corporation to another partnership, 1330  
association, limited liability company, limited liability 1331  
partnership, or corporation, twenty-five dollars. An application 1332  
for such transfer shall be made to the superintendent of real 1333  
estate on forms provided by the superintendent. 1334

~~(C)(2)~~ Reactivation or transfer of a license by a real estate 1335  
salesperson, twenty dollars; 1336

~~(D) Annual renewal.~~ 1337

(B) The fees for a branch office license, license renewal, 1338  
late filing, and foreign real estate dealer and salesperson 1339  
license are as follows per year for each year of a licensing 1340  
period: 1341

(1) Branch office license, eight dollars; 1342

(2) Renewal of a real estate broker's license, forty-nine 1343  
dollars. If the licensee is a partnership, association, limited 1344  
liability company, limited liability partnership, or corporation, 1345  
the full broker's renewal fee shall be required for each member of 1346  
such partnership, association, limited liability company, limited 1347  
liability partnership, or corporation that is a real estate 1348  
broker. If the real estate broker has not less than eleven nor 1349  
more than twenty real estate salespersons associated with the 1350  
broker, an additional fee of sixty-four dollars shall be assessed 1351  
to the brokerage. For every additional ten real estate 1352

salespersons or fraction of that number, the brokerage assessment fee shall be increased in the amount of thirty-seven dollars.

~~(E) Annual renewal~~ (3) Renewal of a real estate salesperson's license, thirty-nine dollars;

~~(F) Annual renewal~~ (4) Renewal of a real estate broker's or salesperson's license filed within twelve months after the licensee's renewal date, an additional late filing penalty of fifty per cent of the required fee;

~~(G)~~(5) Foreign real estate dealer's license and each ~~annual~~ renewal of the license, thirty dollars per salesperson employed by the dealer, but not less than one hundred fifty dollars;

~~(H)~~(6) Foreign real estate salesperson's license and each ~~annual~~ renewal of the license, fifty dollars.

All fees collected under this section shall be paid to the treasurer of state. Four dollars of each such fee shall be credited to the real estate education and research fund, except that for fees that are assessed only once every three years, twelve dollars of each triennial fee shall be credited to the real estate education and research fund.

In all cases, the fee and any penalty shall accompany the application for the license, license transfer, or license reactivation or shall accompany the filing of the ~~annual~~ renewal.

The commission may establish by rule reasonable fees for services not otherwise established by this chapter.

**Sec. 4735.18.** (A) Subject to section 4735.32 of the Revised Code, the superintendent of real estate, upon the superintendent's own motion, may investigate the conduct of any licensee. Subject to section 4735.32 of the Revised Code, the Ohio real estate commission shall, pursuant to section 4735.051 of the Revised Code, impose disciplinary sanctions upon any licensee who, whether

or not acting in the licensee's capacity as a real estate broker 1383  
or salesperson, or in handling the licensee's own property, is 1384  
found to have been convicted of a felony or a crime of moral 1385  
turpitude, and shall, pursuant to section 4735.051 of the Revised 1386  
Code, impose disciplinary sanctions upon any licensee who, in the 1387  
licensee's capacity as a real estate broker or salesperson, or in 1388  
handling the licensee's own property, is found guilty of: 1389

(1) Knowingly making any misrepresentation; 1390

(2) Making any false promises with intent to influence, 1391  
persuade, or induce; 1392

(3) A continued course of misrepresentation or the making of 1393  
false promises through agents, salespersons, advertising, or 1394  
otherwise; 1395

(4) Acting for more than one party in a transaction except as 1396  
permitted by and in compliance with section 4735.71 of the Revised 1397  
Code; 1398

(5) Failure within a reasonable time to account for or to 1399  
remit any money coming into the licensee's possession which 1400  
belongs to others; 1401

(6) Dishonest or illegal dealing, gross negligence, 1402  
incompetency, or misconduct; 1403

(7)(a) By final adjudication by a court, a violation of any 1404  
municipal or federal civil rights law relevant to the protection 1405  
of purchasers or sellers of real estate or, by final adjudication 1406  
by a court, any unlawful discriminatory practice pertaining to the 1407  
purchase or sale of real estate prohibited by Chapter 4112. of the 1408  
Revised Code, provided that such violation arose out of a 1409  
situation wherein parties were engaged in bona fide efforts to 1410  
purchase, sell, or lease real estate, in the licensee's practice 1411  
as a licensed real estate broker or salesperson; 1412

(b) A second or subsequent violation of any unlawful 1413

discriminatory practice pertaining to the purchase or sale of real estate prohibited by Chapter 4112. of the Revised Code or any second or subsequent violation of municipal or federal civil rights laws relevant to purchasing or selling real estate whether or not there has been a final adjudication by a court, provided that such violation arose out of a situation wherein parties were engaged in bona fide efforts to purchase, sell, or lease real estate. For any second offense under this division, the commission shall suspend for a minimum of two months or revoke the license of the broker or salesperson. For any subsequent offense, the commission shall revoke the license of the broker or salesperson.

(8) Procuring a license under this chapter, for the licensee or any salesperson by fraud, misrepresentation, or deceit;

(9) Having violated or failed to comply with any provision of sections 4735.51 to 4735.74 of the Revised Code or having willfully disregarded or violated any other provisions of this chapter;

(10) As a real estate broker, having demanded, without reasonable cause, other than from a broker licensed under this chapter, a commission to which the licensee is not entitled, or, as a real estate salesperson, having demanded, without reasonable cause, a commission to which the licensee is not entitled;

(11) Having Except as permitted under section 4735.20 of the Revised Code, having paid commissions or fees to, or divided commissions or fees with, anyone not licensed as a real estate broker or salesperson under this chapter or anyone not operating as an out-of-state commercial real estate broker or salesperson under section 4735.022 of the Revised Code;

(12) Having falsely represented membership in any real estate professional association of which the licensee is not a member;

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- (13) Having accepted, given, or charged any undisclosed commission, rebate, or direct profit on expenditures made for a principal; 1446  
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- (14) Having offered anything of value other than the consideration recited in the sales contract as an inducement to a person to enter into a contract for the purchase or sale of real estate or having offered real estate or the improvements on real estate as a prize in a lottery or scheme of chance; 1449  
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- (15) Having acted in the dual capacity of real estate broker and undisclosed principal, or real estate salesperson and undisclosed principal, in any transaction; 1454  
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- (16) Having guaranteed, authorized, or permitted any person to guarantee future profits which may result from the resale of real property; 1457  
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- (17) Having placed a sign on any property offering it for sale or for rent without the consent of the owner or the owner's authorized agent; 1460  
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- (18) Having induced any party to a contract of sale or lease to break such contract for the purpose of substituting in lieu of it a new contract with another principal; 1463  
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- (19) Having negotiated the sale, exchange, or lease of any real property directly with an owner, purchaser, lessor, or tenant knowing that such owner, purchaser, lessor, or tenant had a written outstanding contract granting exclusive agency in connection with such property to another real estate broker; 1466  
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- (20) Having offered real property for sale or for lease without the knowledge and consent of the owner or the owner's authorized agent, or on any terms other than those authorized by the owner or the owner's authorized agent; 1471  
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- (21) Having published advertising, whether printed, radio, 1475



display, or of any other nature, which was misleading or 1476  
inaccurate in any material particular, or in any way having 1477  
misrepresented any properties, terms, values, policies, or 1478  
services of the business conducted; 1479

(22) Having knowingly withheld from or inserted in any 1480  
statement of account or invoice any statement that made it 1481  
inaccurate in any material particular; 1482

(23) Having published or circulated unjustified or 1483  
unwarranted threats of legal proceedings which tended to or had 1484  
the effect of harassing competitors or intimidating their 1485  
customers; 1486

(24) Having failed to keep complete and accurate records of 1487  
all transactions for a period of three years from the date of the 1488  
transaction, such records to include copies of listing forms, 1489  
earnest money receipts, offers to purchase and acceptances of 1490  
them, ~~and~~ records of receipts and disbursements of all funds 1491  
received by the licensee as broker and incident to the licensee's 1492  
transactions as such, and records required pursuant to divisions 1493  
(C)(4) and (5) of section 4735.20 of the Revised Code, and any 1494  
other instruments or papers related to the performance of any of 1495  
the acts set forth in the definition of a real estate broker; 1496

(25) Failure of a real estate broker or salesperson to 1497  
furnish all parties involved in a real estate transaction true 1498  
copies of all listings and other agreements to which they are a 1499  
party, at the time each party signs them; 1500

(26) Failure to maintain at all times a special or trust bank 1501  
account in a depository located in this state. The account shall 1502  
be noninterest-bearing, separate and distinct from any personal or 1503  
other account of the broker, and, except as provided in division 1504  
(A)(27) of this section, shall be used for the deposit and 1505  
maintenance of all escrow funds, security deposits, and other 1506

moneys received by the broker in a fiduciary capacity. The name, 1507  
account number, if any, and location of the depository wherein 1508  
such special or trust account is maintained shall be submitted in 1509  
writing to the superintendent. Checks drawn on such special or 1510  
trust bank accounts are deemed to meet the conditions imposed by 1511  
section 1349.21 of the Revised Code. 1512

(27) Failure to maintain at all times a special or trust bank 1513  
account in a depository in this state, to be used exclusively for 1514  
the deposit and maintenance of all rents, security deposits, 1515  
escrow funds, and other moneys received by the broker in a 1516  
fiduciary capacity in the course of managing real property. This 1517  
account shall be separate and distinct from any other account 1518  
maintained by the broker. The name, account number, and location 1519  
of the depository shall be submitted in writing to the 1520  
superintendent. This account may earn interest, which shall be 1521  
paid to the property owners on a pro rata basis. 1522

Division (A)(27) of this section does not apply to brokers 1523  
who are not engaged in the management of real property on behalf 1524  
of real property owners. 1525

(28) Having failed to put definite expiration dates in all 1526  
written agency agreements to which the broker is a party; 1527

(29) Having an unsatisfied final judgment in any court of 1528  
record against the licensee arising out of the licensee's conduct 1529  
as a licensed broker or salesperson; 1530

(30) Failing to render promptly upon demand a full and 1531  
complete statement of the expenditures by the broker or 1532  
salesperson of funds advanced by or on behalf of a party to a real 1533  
estate transaction to the broker or salesperson for the purpose of 1534  
performing duties as a licensee under this chapter in conjunction 1535  
with the real estate transaction; 1536

(31) Failure within a reasonable time, after the receipt of 1537

the commission by the broker, to render an accounting to and pay a 1538  
real estate salesperson the salesperson's earned share of it; 1539

(32) Performing any service for another constituting the 1540  
practice of law, as determined by any court of law; 1541

(33) Having been adjudicated incompetent for the purpose of 1542  
holding the license by a court, as provided in section 5122.301 of 1543  
the Revised Code. A license revoked or suspended under this 1544  
division shall be reactivated upon proof to the commission of the 1545  
removal of the disability. 1546

(34) Having authorized or permitted a person to act as an 1547  
agent in the capacity of a real estate broker, or a real estate 1548  
salesperson, who was not then licensed as a real estate broker or 1549  
real estate salesperson under this chapter or who was not then 1550  
operating as an out-of-state commercial real estate broker or 1551  
salesperson under section 4735.022 of the Revised Code; 1552

(35) Having knowingly inserted or participated in inserting 1553  
any materially inaccurate term in a document, including naming a 1554  
false consideration; 1555

(36) Having failed to inform the licensee's client of the 1556  
existence of an offer or counter offer or having failed to present 1557  
an offer or counter offer in a timely manner, unless otherwise 1558  
instructed by the client, provided the instruction of the client 1559  
does not conflict with any state or federal law. 1560

(B) Whenever the commission, pursuant to section 4735.051 of 1561  
the Revised Code, imposes disciplinary sanctions for any violation 1562  
of this section, the commission also may impose such sanctions 1563  
upon the broker with whom the salesperson is affiliated if the 1564  
commission finds that the broker had knowledge of the 1565  
salesperson's actions that violated this section. 1566

(C) The commission shall, pursuant to section 4735.051 of the 1567  
Revised Code, impose disciplinary sanctions upon any foreign real 1568

estate dealer or salesperson who, in that capacity or in handling  
the dealer's or salesperson's own property, is found guilty of any  
of the acts or omissions specified or comprehended in division (A)  
of this section insofar as the acts or omissions pertain to  
foreign real estate. If the commission imposes such sanctions upon  
a foreign real estate salesperson for a violation of this section,  
the commission also may suspend or revoke the license of the  
foreign real estate dealer with whom the salesperson is affiliated  
if the commission finds that the dealer had knowledge of the  
salesperson's actions that violated this section.

(D) The commission may suspend, in whole or in part, the  
imposition of the penalty of suspension of a license under this  
section.

(E) The commission immediately shall notify the real estate  
appraiser board of any disciplinary action taken under this  
section against a licensee who also is a state-certified real  
estate appraiser under Chapter 4763. of the Revised Code.

**Sec. 4735.20.** (A) ~~No~~ Except as provided in divisions (B),  
(C), and (G) of this section, no licensed real estate broker or  
licensed foreign real estate dealer shall pay a commission, fee,  
or other compensation for performing any of the acts specified in  
section 4735.01 of the Revised Code to any person who is not a  
licensed real estate broker or a licensed real estate salesperson  
or to any person who is not a licensed foreign real estate dealer  
or a licensed foreign real estate salesperson, ~~provided that a,~~

(B) A licensed real estate broker or licensed foreign real  
estate dealer may pay a commission to a licensed real estate  
broker or licensed foreign real estate dealer of another state and  
may receive a commission from a licensed real estate broker or  
licensed foreign real estate dealer of another state, but only

~~when done in accordance with rules adopted by the Ohio real estate 1600  
commission pursuant to section 4735.10 of the Revised Code. A 1601  
violation of this division shall be a cause for imposing 1602  
disciplinary sanctions in accordance with the proceedings 1603  
specified in sections 4735.15 to 4735.18 of the Revised Code. 1604~~

~~(B)(C) A licensed real estate broker may pay all or part of a 1605  
fee, commission, or other compensation earned by an affiliated 1606  
licensee to a partnership, association, limited liability company, 1607  
limited liability partnership, or corporation that is not licensed 1608  
as a real estate broker on the condition that all of the following 1609  
conditions are satisfied: 1610~~

~~(1) At least one of the partners, members, officers, or 1611  
shareholders of the unlicensed partnership, association, limited 1612  
liability company, limited liability partnership, or corporation 1613  
holds a valid and active license issued under this chapter. 1614~~

~~(2) At least one of the partners, members, officers, or 1615  
shareholders of the unlicensed partnership, association, limited 1616  
liability company, limited liability partnership, or corporation 1617  
is the affiliated licensee who earned the fee, commission, or 1618  
other compensation. 1619~~

~~(3) The unlicensed partnership, association, limited 1620  
liability company, limited liability partnership, or corporation 1621  
does not engage in any of the acts specified in division (A) of 1622  
section 4735.01 of the Revised Code. 1623~~

~~(4) The broker verifies that the affiliated licensee complies 1624  
with divisions (C)(1) and (2) of this section and keeps a record 1625  
of this verification for a period of three years after the date of 1626  
verification. 1627~~

~~(5) The broker keeps a record of all of the following 1628  
information for each transaction, for a period of three years 1629  
after the date of the transaction: 1630~~

(a) The name of the affiliated licensee who earned the fee, commission, or other compensation; 1631  
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(b) The amount of the fee, commission, or other compensation that was earned; 1633  
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(c) The name of the unlicensed partnership, association, limited liability company, limited liability partnership, or corporation to which the broker paid the affiliated licensee's fee, commission, or other compensation. 1635  
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(D) Compliance with division (C) of this section does not relieve a broker described in that division of any obligations to supervise an affiliated licensee, or of any other requirements of this chapter or rules adopted pursuant to this chapter. 1639  
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(E) Compliance with division (C) of this section does not render a broker described in that division or an affiliated licensee exempt from sections 4735.051, 4735.18, or 4735.32 of the Revised Code, or immune from personal liability in a civil action against the broker or affiliated licensee for a violation of this chapter. 1643  
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(F) No broker shall pay a fee, commission, or other compensation that is due to an affiliated licensee to a third-party creditor of the affiliated licensee. 1649  
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(G) Any owner of any interest in foreign real estate may refer a prospective buyer to the person who sold the owner that foreign real estate with the expectation of receiving valuable consideration, if all of the following conditions are satisfied: 1652  
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(1) The person who sold the owner that foreign real estate is selling qualified foreign real estate pursuant to section 4735.25 of the Revised Code. 1656  
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(2) Any fee, commission, or other valuable consideration promised or collected during any period consisting of twelve 1659  
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consecutive months does not exceed one thousand dollars. 1661

(3) The owner does not engage in referring prospective buyers of foreign real estate pursuant to this section in the ordinary course of business or as a regular business practice. 1662  
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(4) The owner does not show the foreign real estate, discuss terms or conditions of purchasing the foreign real estate, or otherwise participate in negotiations with regard to the offering or sale of the foreign real estate. 1665  
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(5) If a foreign real estate transaction is consummated with a buyer who was referred by the owner to the person who sold the owner that foreign real estate, the occurrence of the referral shall be disclosed by the person who sold the owner that foreign real estate. 1669  
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(H) The suspension or revocation of a real estate broker's or foreign real estate dealer's license automatically shall suspend every real estate salesperson's or foreign real estate salesperson's license granted to any person by virtue of association with the broker or dealer whose license has been suspended or revoked, pending a change of broker or dealer and the issuance of a new license. Such new license shall be issued without charges, if granted during the same year in which the original license was granted. 1674  
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(I) A violation of this section is cause for imposing disciplinary sanctions in accordance with the proceedings specified in sections 4735.051, 4735.18, and 4735.32 of the Revised Code. 1683  
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(J) For purposes of this section, "affiliated licensee" means a person who holds a valid and active license issued under this chapter and who is associated with the broker that is paying a fee, commission, or other compensation at the time that that fee, commission, or other compensation is earned. 1687  
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Section 2. That existing sections 4735.01, 4735.02, 4735.06,	1692
4735.07, 4735.09, 4735.10, 4735.12, 4735.13, 4735.14, 4735.141,	1693
4735.15, 4735.18, and 4735.20 of the Revised Code are hereby	1694
repealed.	1695