

**As Reported by the Senate Insurance, Commerce and Labor
Committee**

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Sub. H. B. No. 272

**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,
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DeWine, Calvert, Redfern, Key, Woodard, Metelsky, Carey, Hagan, Roman,
Otterman, Schneider, Latta, Faber**

A B I L L

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

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(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

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

(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.

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

(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.

(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.

(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
transaction contained in the definition of a real estate broker,
whether an act is an incidental part of a transaction, or the
entire transaction, shall be constituted a real estate broker or
real estate salesperson under this chapter.

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

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

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

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

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

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(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

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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

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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

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(2) Enters into a written agreement with the Ohio broker described in division (A)(1) of this section that includes the terms of cooperation and compensation and a statement that the out-of-state commercial broker and its agents will agree to adhere to the laws of Ohio; 229
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(3) Furnishes the Ohio broker described in division (A)(1) of this section with a copy of the out-of-state commercial broker's current certificate of good standing from any jurisdiction where the out-of-state commercial broker maintains an active real estate license; 234
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(4) Files an irrevocable written consent with the Ohio broker described in division (A)(1) of this section that legal actions arising out of the conduct of the out-of-state commercial broker or its agents may be commenced against the out-of-state commercial broker in the court of proper jurisdiction of any county in Ohio where the cause of action arises or where the plaintiff resides; 239
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(5) Includes the name of the Ohio broker described in division (A)(1) of this section on all advertising in accordance with section 4735.16 of the Revised Code; 246
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(6) Deposits all escrow funds, security deposits, and other money received by either the out-of-state commercial broker or Ohio broker described in division (A)(1) of this section in trust or special accounts maintained by the Ohio broker; 249
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(7) Deposits all documentation required by this section and records and documents related to the transaction with the Ohio broker described in division (A)(1) of this section. 253
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The Ohio broker described in division (A)(1) of this section shall retain the documentation that is provided by the out-of-state commercial broker as required under division (A)(7) of this section, and the records and documents related to a 256
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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

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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

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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

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(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

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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

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(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

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(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

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(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

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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

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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.

(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.

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

(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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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

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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) <u>By not later than January 1, 2004, a three-year license</u>	827
<u>and a three-year license renewal system;</u>	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
(e) Annual notice <u>(f) Notice</u> of renewal forms and filing deadlines;	857 858
(f) <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

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licensure, with waiver of examination, under sections 4735.27 and 882
4735.28 of the Revised Code; 883

(7) Qualification of foreign real estate under section 884
4735.25 of the Revised Code. 885

If at any time there is no rule in effect establishing a 886
guideline or standard required by this division, the 887
superintendent may adopt a rule in accordance with Chapter 119. of 888
the Revised Code for such purpose. 889

(C) The commission or superintendent may hear testimony in 890
matters relating to the duties imposed upon them, and the 891
president of the commission and superintendent may administer 892
oaths. The commission or superintendent may require other proof of 893
the honesty, truthfulness, and good reputation of any person named 894
in an application for a real estate broker's or real estate 895
salesperson's license before admitting the applicant to the 896
examination or issuing a license. 897

Sec. 4735.12. (A) The real estate recovery fund is hereby 898
created in the state treasury, to be administered by the 899
superintendent of real estate. Amounts collected by the 900
superintendent as prescribed in this section and interest earned 901
on the assets of the fund shall be credited by the treasurer of 902
state to the fund. The amount of money in the fund shall be 903
ascertained by the superintendent as of the first day of July of 904
each year. 905

The commission, in accordance with rules adopted under 906
division (A)(2)~~(f)~~(g) of section 4735.10 of the Revised Code, 907
shall impose a special assessment not to exceed ten dollars 908
annually per year for each year of a licensing period on each 909
licensee filing a notice of renewal under section 4735.14 of the 910
Revised Code if the amount available in the fund is less than one 911
million dollars on the first day of July preceding that filing. 912

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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

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(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:	945 946 947
(a) The person has obtained a judgment, as provided in this division;	948 949
(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;	950 951 952
(c) The person is not a spouse of the judgment debtor, or the personal representative of such spouse;	953 954
(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;	955 956 957 958
(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.	959 960 961
(5) Divisions (B)(1) to (4) of this section do not apply to any of the following:	962 963
(a) Actions arising from property management accounts maintained in the name of the property owner;	964 965
(b) A bonding company when it is not a principal in a real estate transaction;	966 967
(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;	968 969 970 971
(d) Losses incurred by investors in real estate if the applicant and the licensee are principals in the investment.	972 973

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(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

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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

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

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

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

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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

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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

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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

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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

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

(D) If the license of a real estate broker is suspended
pursuant to division (C) 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:

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

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

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

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

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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

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transfers, annual renewals, late filings, and foreign real estate	1322
dealer and salesperson licenses <u>reactivation or transfer of a</u>	1323
<u>license</u> 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
<u>(B) The fees for a branch office license, license renewal,</u>	1338
<u>late filing, and foreign real estate dealer and salesperson</u>	1339
<u>license are as follows per year for each year of a licensing</u>	1340
<u>period:</u>	1341
<u>(1) Branch office license, eight dollars;</u>	1342
<u>(2) Renewal</u> 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

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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)~~ (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)~~ (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

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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

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- 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;
- (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;
- (15) Having acted in the dual capacity of real estate broker and undisclosed principal, or real estate salesperson and undisclosed principal, in any transaction;
- (16) Having guaranteed, authorized, or permitted any person to guarantee future profits which may result from the resale of real property;
- (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;
- (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;
- (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;
- (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;
- (21) Having published advertising, whether printed, radio,

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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, <u>and records required pursuant to divisions</u>	1493
<u>(C)(4) and (5) of section 4735.20 of the Revised Code,</u> 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

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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

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- the commission by the broker, to render an accounting to and pay a
real estate salesperson the salesperson's earned share of it;
- (32) Performing any service for another constituting the
practice of law, as determined by any court of law;
- (33) Having been adjudicated incompetent for the purpose of
holding the license by a court, as provided in section 5122.301 of
the Revised Code. A license revoked or suspended under this
division shall be reactivated upon proof to the commission of the
removal of the disability.
- (34) Having authorized or permitted a person to act as an
agent in the capacity of a real estate broker, or a real estate
salesperson, who was not then licensed as a real estate broker or
real estate salesperson under this chapter or who was not then
operating as an out-of-state commercial real estate broker or
salesperson under section 4735.022 of the Revised Code;
- (35) Having knowingly inserted or participated in inserting
any materially inaccurate term in a document, including naming a
false consideration;
- (36) Having failed to inform the licensee's client of the
existence of an offer or counter offer or having failed to present
an offer or counter offer in a timely manner, unless otherwise
instructed by the client, provided the instruction of the client
does not conflict with any state or federal law.
- (B) Whenever the commission, pursuant to section 4735.051 of
the Revised Code, imposes disciplinary sanctions for any violation
of this section, the commission also may impose such sanctions
upon the broker with whom the salesperson is affiliated if the
commission finds that the broker had knowledge of the
salesperson's actions that violated this section.
- (C) The commission shall, pursuant to section 4735.051 of the
Revised Code, impose disciplinary sanctions upon any foreign real

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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

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

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

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

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

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

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

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

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<u>(a) The name of the affiliated licensee who earned the fee,</u>	1631
<u>commission, or other compensation;</u>	1632
<u>(b) The amount of the fee, commission, or other compensation</u>	1633
<u>that was earned;</u>	1634
<u>(c) The name of the unlicensed partnership, association,</u>	1635
<u>limited liability company, limited liability partnership, or</u>	1636
<u>corporation to which the broker paid the affiliated licensee's</u>	1637
<u>fee, commission, or other compensation.</u>	1638
<u>(D) Compliance with division (C) of this section does not</u>	1639
<u>relieve a broker described in that division of any obligations to</u>	1640
<u>supervise an affiliated licensee, or of any other requirements of</u>	1641
<u>this chapter or rules adopted pursuant to this chapter.</u>	1642
<u>(E) Compliance with division (C) of this section does not</u>	1643
<u>render a broker described in that division or an affiliated</u>	1644
<u>licensee exempt from sections 4735.051, 4735.18, or 4735.32 of the</u>	1645
<u>Revised Code, or immune from personal liability in a civil action</u>	1646
<u>against the broker or affiliated licensee for a violation of this</u>	1647
<u>chapter.</u>	1648
<u>(F) No broker shall pay a fee, commission, or other</u>	1649
<u>compensation that is due to an affiliated licensee to a</u>	1650
<u>third-party creditor of the affiliated licensee.</u>	1651
<u>(G) Any owner of any interest in foreign real estate may</u>	1652
<u>refer a prospective buyer to the person who sold the owner that</u>	1653
<u>foreign real estate with the expectation of receiving valuable</u>	1654
<u>consideration, if all of the following conditions are satisfied:</u>	1655
<u>(1) The person who sold the owner that foreign real estate is</u>	1656
<u>selling qualified foreign real estate pursuant to section 4735.25</u>	1657
<u>of the Revised Code.</u>	1658
<u>(2) Any fee, commission, or other valuable consideration</u>	1659
<u>promised or collected during any period consisting of twelve</u>	1660

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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