

Redline Before Hearing

**DEPARTMENT OF REGULATORY AGENCIES
DIVISION OF REAL ESTATE
REAL ESTATE COMMISSION
4 CCR 725-1**

**NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING
December 5, 2017**

RULE A. LICENSE QUALIFICATIONS, APPLICATIONS AND EXAMINATIONS

Pursuant to and in compliance with Title 12, Article 61 and Title 24, Article 4, C.R.S., as amended, notice of proposed rulemaking is hereby given, including notice to the Attorney General of the State of Colorado and to all persons who have requested to be advised of the intention of the Colorado Real Estate Commission (the "Commission") to promulgate rules, or to amend, repeal or repeal and re-enact the present rules of the Commission.

STATEMENT OF BASIS

The statutory basis for the rules titled Rules of the Colorado Real Estate Commission is Part 1 of Title 12, Article 61, Colorado Revised Statutes, as amended.

STATEMENT OF PURPOSE

The purpose of this rule is to effectuate the legislative directive to promulgate necessary and appropriate rules in conformity with the state statutes of the real estate practice act.

SPECIFIC PURPOSE OF THIS RULEMAKING

The specific purpose of this rule is to amend or repeal existing rules with respect to employing broker qualifications for licensing, as mandated by SB17-215.

PROPOSED NEW, AMENDED AND REPEALED RULES

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Proposed New, Amended and Repealed Rules

Rule A. LICENSE QUALIFICATIONS, APPLICATIONS AND EXAMINATIONS

A-27. EMPLOYING BROKER QUALIFICATIONS

IN ADDITION TO THE REQUIREMENTS PRESCRIBED IN SECTIONS 12-61-103(6)(C)(I) AND (II), C.R.S., AND PURSUANT TO SECTION 12-61-103(6)(C)(III), C.R.S., A BROKER THAT DID NOT HOLD A CURRENT AND VALID BROKER'S LICENSE ON DECEMBER 31, 1996, MUST NOT ACT AS AN EMPLOYING BROKER WITHOUT FIRST DEMONSTRATING THE FOLLOWING EXPERIENCE AND KNOWLEDGE:

- A) A BROKER THAT WAS ISSUED AN EMPLOYING BROKER LEVEL LICENSE PRIOR TO JULY 1, 2017, WILL HAVE SATISFIED THE EMPLOYING BROKER EXPERIENCE AND KNOWLEDGE REQUIREMENTS BY FULFILLING ONE OF THE FOLLOWING:**

1. THE BROKER MUST HAVE HELD AN ACTIVE EMPLOYING BROKER LEVEL LICENSE FOR AT LEAST TWO (2) YEARS WITHIN THE FIVE (5) YEAR PERIOD IMMEDIATELY PRECEDING JANUARY 1, 2019;
 2. THE BROKER MUST SUCCESSFULLY COMPLETE THE EMPLOYING BROKER REFRESHER COURSE; OR
 3. THE BROKER MEETS THE EXPERIENCE REQUIREMENTS AS PRESCRIBED IN SUBSECTION C OF THIS RULE.
- B) EACH APPLICANT FOR AN EMPLOYING BROKER LEVEL LICENSE THAT APPLIES ON OR AFTER JULY 1, 2017, MUST SUBMIT EVIDENCE SATISFACTORY TO THE COMMISSION THAT THE APPLICANT HAS PRACTICED AS AN ACTIVE LICENSED BROKER, AS APPROPRIATE TO THE BROKER'S AREA OF SUPERVISION, FOR AT LEAST TWO (2) YEARS WITHIN THE FIVE (5) YEAR PERIOD IMMEDIATELY PRECEDING THE DATE OF APPLICATION; AND
- C) THE EVIDENCE MUST ALSO DEMONSTRATE THAT THE APPLICANT'S EXPERIENCE AS A LICENSED BROKER, AS APPROPRIATE TO THE BROKER'S AREA OF SUPERVISION, QUALIFIES THE APPLICANT FOR A TOTAL OF AT LEAST FIFTY (50) POINTS HAVING ACCUMULATED WITHIN THE FIVE (5) YEAR PERIOD IMMEDIATELY PRECEDING THE DATE OF APPLICATION, BASED ON THE FOLLOWING POINT SYSTEM:
1. EACH FULL YEAR THAT THE APPLICANT HAS PRACTICED AS AN EMPLOYING BROKER IS WORTH TEN (10) POINTS.
 2. EACH FULL YEAR THAT THE APPLICANT WAS DELEGATED SUPERVISORY AUTHORITY FROM AN EMPLOYING BROKER THAT INCLUDED RESPONSIBILITY FOR ENSURING COMPLIANCE WITH THE COMMISSION STATUTES AND RULES, AND THAT ENSURED RESPONSIBILITY FOR THE BROKERAGE (EXCLUDING ANY MENTORSHIP) IS WORTH FIVE (5) POINTS. (A COPY OF THE DETAILED EXECUTED DELEGATION OF AUTHORITY MUST BE INCLUDED.)
 3. EACH HOUR OF A CONTINUING EDUCATION APPROVED AND DESIGNATED EDUCATIONAL COURSE IN THE BROKER'S AREA OF EXPERTISE COMPLETED AFTER JUNE 30, 2017, IS WORTH ONE (1) POINT. (THIS EDUCATIONAL POINT CATEGORY CANNOT EXCEED TWENTY (20) POINTS.)
 4. EACH COMPLETED OR CLOSED RESIDENTIAL SALES TRANSACTION IS WORTH THREE (3) POINTS.
 5. EACH COMPLETED OR CLOSED COMMERCIAL SALES TRANSACTION IS WORTH SIX (6) POINTS.
 6. EACH COMPLETED OR CLOSED VACANT LAND SALES TRANSACTION IS WORTH SIX (6) POINTS.
 7. EACH COMMERCIAL PROPERTY MANAGEMENT AGREEMENT IS WORTH FOUR (4) POINTS.
 8. EACH RESIDENTIAL PROPERTY MANAGEMENT AGREEMENT IS WORTH TWO (2) POINTS.
 9. EACH COMMERCIAL LEASE CONTRACT IS WORTH TWO (2) POINTS.
 10. EACH RESIDENTIAL LEASE CONTRACT IS WORTH ONE (1) POINT.
 11. EACH COMPLETED OR CLOSED TIME SHARE SALES TRANSACTION IS WORTH TWO (2) POINTS.

D) THE APPLICANT MUST COMPLETE THE COMMISSION CREATED EMPLOYING BROKER EXPERIENCE AND KNOWLEDGE WORKSHEET AND SUBMIT THE WORKSHEET AND SUPPORTING DOCUMENTS WITH THE APPLICATION FOR AN EMPLOYING BROKER LEVEL LICENSE. AN APPLICATION IS DEEMED COMPLETE AT THE TIME ALL REQUIRED SUPPORTING DOCUMENTS AND FEES ARE RECEIVED BY THE DIVISION.

A hearing on the above subject matter will be held on Tuesday, December 5, 2017 at the Colorado Division of Real Estate, 1560 Broadway, Suite 1250-C, Denver, Colorado 80202 beginning at 9:00 a.m.

Any interested person may participate in the rule making through submission of written data, views and arguments to the Division of Real Estate. Persons are requested to submit data, views and arguments to the Division of Real Estate in writing no less than ten (10) days prior to the hearing date and time set forth above. However, all data, views and arguments submitted prior to or at the rulemaking hearing or prior to the closure of the rulemaking record (if different from the date and time of hearing), shall be considered. Please be advised that the rule being considered is subject to further changes and modifications after public comment and formal hearing.

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A) A BROKER THAT WAS ISSUED AN EMPLOYING BROKER LEVEL LICENSE PRIOR TO JANUARY 1, 2018~~JULY 1, 2017~~, WILL HAVE SATISFIED THE EMPLOYING BROKER EXPERIENCE AND KNOWLEDGE REQUIREMENTS BY FULFILLING ONE OF THE FOLLOWING:

- 1. THE BROKER MUST HAVE HELD AN ACTIVE EMPLOYING BROKER LEVEL LICENSE FOR AT LEAST TWO (2) YEARS WITHIN THE FIVE (5) YEAR PERIOD IMMEDIATELY PRECEDING JANUARY 1, 2019; OR**
- 2. THE BROKER MUST SUCCESSFULLY COMPLETE THE EMPLOYING BROKER REFRESHER COURSE; OR**
- 3. THE BROKER MEETS THE EXPERIENCE REQUIREMENTS AS PRESCRIBED IN SUBSECTION B OF THIS RULE.**

B) EACH APPLICANT FOR AN EMPLOYING BROKER LEVEL LICENSE WHO THAT APPLIES ON OR AFTER JANUARY 1, 2018~~JULY 1, 2017~~, MUST SUBMIT EVIDENCE SATISFACTORY TO THE COMMISSION THAT THE APPLICANT HAS PRACTICED AS AN ACTIVE LICENSED BROKER, AS APPROPRIATE TO THE BROKER'S AREA OF SUPERVISION, FOR AT LEAST TWO (2) YEARS WITHIN THE FIVE (5) YEAR PERIOD IMMEDIATELY PRECEDING THE DATE OF APPLICATION, ~~;~~ ~~AND~~

C) THE EVIDENCE MUST ALSO DEMONSTRATE THAT THE APPLICANT'S EXPERIENCE AS A _____ LICENSED BROKER, AS APPROPRIATE TO THE BROKER'S AREA OF SUPERVISION, QUALIFIES THE APPLICANT FOR A TOTAL OF AT LEAST FIFTY (50) POINTS HAVING ACCUMULATED WITHIN THE FIVE (5) YEAR PERIOD IMMEDIATELY PRECEDING THE DATE OF APPLICATION, BASED ON THE FOLLOWING POINT SYSTEM:

1. **EACH FULL YEAR THAT THE APPLICANT HAS PRACTICED AS AN EMPLOYING BROKER, AS DEFINED BY COLORADO LAW, IS WORTH TEN (10) POINTS, AS DEFINED BY COLORADO LAW.**
2. **EACH FULL YEAR THAT THE APPLICANT WAS DELEGATED SUPERVISORY AUTHORITY FROM AN EMPLOYING BROKER THAT INCLUDED RESPONSIBILITY FOR ENSURING COMPLIANCE WITH THE COMMISSION STATUTES AND RULES, AND THAT ENSURED RESPONSIBILITY FOR THE BROKERAGE (EXCLUDING ANY MENTORSHIP) IS WORTH FIVE (5) POINTS. (A COPY OF THE DETAILED EXECUTED DELEGATION OF AUTHORITY MUST BE INCLUDED.)**
3. **EACH HOUR OF A CONTINUING EDUCATION APPROVED AND DESIGNATED EDUCATIONAL COURSE IN THE BROKER'S AREA OF EXPERTISE COMPLETED AFTER JANUARY 1, 2018 ~~JUNE 30, 2017~~, IS WORTH ONE (1) POINT. (THIS EDUCATIONAL POINT CATEGORY CANNOT EXCEED TWENTY (20) POINTS.)**
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6. **EACH COMPLETED OR CLOSED VACANT LAND SALES TRANSACTION IS WORTH SIX (6) POINTS.**
7. **EACH ADMINISTERED COMMERCIAL PROPERTY MANAGEMENT TRANSACTION AGREEMENT IS WORTH FOUR (4) POINTS.**
8. **EACH ADMINISTERED RESIDENTIAL PROPERTY MANAGEMENT TRANSACTION AGREEMENT IS WORTH TWO (2) POINTS.**
9. **EACH COMPLETED OR CLOSED COMMERCIAL LEASE TRANSACTION CONTRACT IS WORTH TWO (2) POINTS.**
10. **EACH COMPLETED OR CLOSED RESIDENTIAL LEASE TRANSACTION CONTRACT IS WORTH ONE (1) POINT.**
11. **EACH COMPLETED OR CLOSED TIME SHARE SALES TRANSACTION IS WORTH TWO (2) POINTS.**

D) **EACH THE APPLICANT MUST COMPLETE THE COMMISSION CREATED EMPLOYING BROKER EXPERIENCE AND KNOWLEDGE WORKSHEET AND SUBMIT THE WORKSHEET AND SUPPORTING DOCUMENTS WITH THE APPLICATION FOR AN EMPLOYING BROKER LEVEL LICENSE. AN APPLICATION IS DEEMED COMPLETE AT THE TIME ALL REQUIRED SUPPORTING DOCUMENTS AND FEES ARE RECEIVED BY THE DIVISION.**

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