

Adopted Rejected

COMMITTEE REPORT

YES: 10
NO: 0

MR. SPEAKER:

*Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1102, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Replace the effective dates in SECTIONS 1 through 56 with
- 2 "[EFFECTIVE JULY 1, 2014]".
- 3 Page 1, between the enacting clause and line 1, begin a new
- 4 paragraph and insert:
- 5 "SECTION 1. IC 5-20-5-18 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 18. (a) An eligible
- 7 entity shall establish an affordable housing fund advisory committee
- 8 consisting of the following eleven (11) members:
- 9 (1) One (1) member appointed by the executive of the eligible
- 10 entity to represent the interests of low income families.
- 11 (2) One (1) member appointed by the executive of the eligible
- 12 entity to represent the interests of owners of subsidized,
- 13 multifamily housing communities.
- 14 (3) One (1) member appointed by the executive of the eligible
- 15 entity to represent the interests of banks and other financial

- 1 institutions.
- 2 (4) One (1) member appointed by the executive of the eligible
3 entity to represent the interests of the eligible entity.
- 4 (5) One (1) member appointed by the executive of the eligible
5 entity to represent real estate brokers. ~~or salespersons.~~ The
6 member appointed under this subdivision must be nominated to
7 the executive by the local realtors' association.
- 8 (6) One (1) member appointed by the executive of the eligible
9 entity to represent construction trades. The member appointed
10 under this subdivision must be nominated to the executive by the
11 local building trades council.
- 12 (7) Five (5) members appointed by the legislative body of the
13 eligible entity to represent the community at large. Members
14 appointed under this subdivision must be nominated to the
15 legislative body after a general call for nominations from township
16 trustees, community development corporations, neighborhood
17 associations, community based organizations, and other social
18 services agencies.
- 19 (b) Members of the affordable housing fund advisory committee
20 serve for a term of four (4) years, and are eligible for reappointment. If
21 a vacancy exists on the committee, the appointing authority that
22 appointed the former member whose position has become vacant shall
23 appoint an individual to fill the vacancy. A committee member may be
24 removed at any time by the appointing authority that appointed the
25 committee member.
- 26 (c) The affordable housing fund advisory committee shall make
27 recommendations to the eligible entity regarding:
- 28 (1) the development of policies and procedures for the uses of the
29 affordable housing fund; and
- 30 (2) long term sources of capital for the affordable housing fund,
31 including:
- 32 (A) revenue from:
- 33 (i) development ordinances;
- 34 (ii) fees; or
- 35 (iii) taxes;
- 36 (B) financial market based income;
- 37 (C) revenue derived from private sources; and
- 38 (D) revenue generated from grants, gifts, donations, or income

- 1 in any other form from a:
- 2 (i) government program;
- 3 (ii) foundation; or
- 4 (iii) corporation."
- 5 Page 8, line 30, delete "who," and insert "**who:**
- 6 **(A)**".
- 7 Page 8, line 33, delete "acts." and insert "acts; **and**
- 8 **(B) is acting in association with and under the auspices of**
- 9 **a managing broker.**".
- 10 Page 9, line 2, strike "or salesperson".
- 11 Page 9, line 9, strike "or".
- 12 Page 9, line 10, strike "salesperson".
- 13 Page 9, line 18, after "include" insert "**lots and land for**".
- 14 Page 9, line 32, after "not" insert "**a**".
- 15 Page 9, line 33, strike "as a salesperson" and insert "**broker**".
- 16 Page 9, line 34, delete "licensed under" and insert "**the Indiana real**
- 17 **estate commission holds responsible for the actions of licensees who**
- 18 **are affiliated with the managing broker.**".
- 19 Page 9, delete line 35.
- 20 Page 11, line 5, strike "and".
- 21 Page 11, line 7, delete "." and insert "; **and**".
- 22 Page 11, between lines 7 and 8, begin a new line block indented and
- 23 insert:
- 24 "**(17) adopt rules under IC 4-22-2 governing education and**
- 25 **continuing education.**".
- 26 Page 12, line 9, strike "and salespersons".
- 27 Page 14, line 33, delete "IC 25-34.1-3-3.1," and insert "**section 3.1**
- 28 **of this chapter**".
- 29 Page 14, line 33, delete "before its repeal,".
- 30 Page 15, line 37, strike "principal" and insert "**managing**".
- 31 Page 15, line 39, strike "or salesperson".
- 32 Page 16, line 8, strike "principal" and insert "**managing**".
- 33 Page 16, line 10, strike "or salesperson".
- 34 Page 16, line 23, strike "principal" and insert "**managing**".
- 35 Page 16, line 30, strike "principal" and insert "**managing**".
- 36 Page 16, line 32, strike "or salesperson".
- 37 Page 17, line 17, delete "During" and insert "**For an individual**
- 38 **applying for a broker's license after July 1, 2014, during**".

- 1 Page 17, line 18, delete "an individual with a broker's license" and
 2 insert "**the individual**".
- 3 Page 17, line 19, delete "post-licensing" and insert "**postlicensing**".
- 4 Page 17, line 41, strike "broker-salesperson" and insert "**broker**".
- 5 Page 17, line 42, strike "as a broker-salesperson".
- 6 Page 18, line 1, strike "principal" and insert "**managing**".
- 7 Page 18, line 2, strike "principal" and insert "**managing**".
- 8 Page 18, line 3, strike "principal" and insert "**managing**".
- 9 Page 18, line 4, strike "broker-salesperson" and insert "**broker**".
- 10 Page 18, line 4, strike "principal" and insert "**managing**".
- 11 Page 19, between lines 16 and 17, begin a new paragraph and insert:
 12 "**(e) Beginning July 1, 2014, a person who was licensed as a**
 13 **salesperson under section 3.1 of this chapter, before its repeal, and**
 14 **who applies for reactivation must complete the twenty-four (24)**
 15 **hour course required to become a broker under this article.**
- 16 **(f) Beginning July 1, 2014, a broker licensed on or after July 1,**
 17 **2014, who becomes inactive must complete the thirty (30) hour**
 18 **postlicensure course established by the commission before**
 19 **reactivation of the licensee's license."**
- 20 Page 20, strike lines 39 through 42.
- 21 Page 21, line 1, strike "(e)" and insert "**(d)**".
- 22 Page 21, line 1, after "or" insert "**out-of-state commercial**".
- 23 Page 21, between lines 3 and 4, begin a new paragraph and insert:
 24 "SECTION 18. IC 25-34.1-4-0.5 IS ADDED TO THE INDIANA
 25 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2014]: **Sec. 0.5. To become a managing**
 27 **broker, a person must hold a broker's license for at least two (2)**
 28 **years and take and pass at least twenty-four (24) hours of broker**
 29 **management courses approved by the commission."**
- 30 Page 21, line 7, strike "associated".
- 31 Page 21, line 39, strike "associated".
- 32 Page 22, line 5, strike "associated".
- 33 Page 22, line 23, strike "principal" and insert "**managing**".
- 34 Page 22, line 34, after "principal" insert "**managing**".
- 35 Page 22, line 36, strike "salesperson" and insert "**broker**".
- 36 Page 23, between lines 4 and 5, begin a new paragraph and insert:
 37 "SECTION 24. IC 25-34.1-4.5 IS ADDED TO THE INDIANA
 38 CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2012]:

2 **Chapter 4.5. License Transition**

3 **Sec. 1. After June 30, 2014, the board may not issue a new**
 4 **salesperson license under IC 25-34.1-3.**

5 **Sec. 2. An individual holding a license as a salesperson must**
 6 **obtain a broker's license not later than June 30, 2014, to continue**
 7 **performing functions under this article.**

8 **Sec. 3. To obtain a broker's license, an individual holding a**
 9 **license as a salesperson on June 30, 2012, must:**

10 **(1) complete at least twenty-four (24) hours of education**
 11 **required under IC 25-34.1-5-5 to be licensed as a broker; and**

12 **(2) meet the requirements to be licensed as a broker under**
 13 **IC 25-34.1-3-4.1.**

14 **Sec. 4. Notwithstanding any other law concerning education or**
 15 **continuing education for salespersons, a salesperson may obtain the**
 16 **twenty-four (24) hours of board approved education required**
 17 **under section 3 of this chapter at any time after June 30, 2012, and**
 18 **before July 1, 2014. The licensee must attest to the board that the**
 19 **licensee has completed the additional twenty-four (24) hours of**
 20 **education. When the twenty-four (24) hours have been completed,**
 21 **the salesperson becomes a broker.**

22 **Sec. 5. For the period beginning July 1, 2012, and ending June**
 23 **30, 2014, notwithstanding any other law concerning continuing**
 24 **education, the twenty-four (24) hours of additional education**
 25 **required under section 3 of this chapter may be used to meet the**
 26 **continuing education requirement for a salesperson under**
 27 **IC 25-34.1-9-11.**

28 **Sec. 6. An individual who is a principal broker on June 30, 2014,**
 29 **becomes a managing broker on July 1, 2014.**

30 **Sec. 7. This chapter expires December 31, 2014."**

31 Page 24, between lines 12 and 13, begin a new paragraph and insert:

32 "SECTION 27. IC 25-34.1-5-12 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2014]: **Sec. 12. (a) The real estate education**
 35 **advisory council established by IC 25-34.1-9-2 shall make**
 36 **recommendations to the commission concerning the following:**

37 **(1) Requirements for sponsors of courses.**

38 **(2) Requirements for instructors to be used by sponsors in**

- 1 **providing courses.**
 2 **(3) Requirements for the curricula for prelicensing education**
 3 **courses.**
 4 **(4) Rules to implement this chapter.**
 5 **(5) Other issues identified by the commission in implementing**
 6 **this chapter.**

- 7 **(b) The commission shall approve all prelicensing courses.**
 8 **(c) The commission may, with the advice of the council, approve**
 9 **online education required for licensing."**

10 Page 25, between lines 10 and 11, begin a new paragraph and insert:
 11 "SECTION 30. IC 25-34.1-8-7.5, AS AMENDED BY P.L.77-2010,
 12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2014]: Sec. 7.5. (a) The investigative fund is established to
 14 provide funds for administering and enforcing the provisions of this
 15 article, including investigating and taking enforcement action against
 16 real estate fraud and real estate appraisal fraud. The fund shall be
 17 administered by the attorney general and the professional licensing
 18 agency.

19 (b) The expenses of administering the fund shall be paid from the
 20 money in the fund. The fund consists of:

- 21 (1) money from a fee imposed upon licensed or certified
 22 appraisers and real estate brokers ~~and salespersons~~ under
 23 IC 25-34.1-2-7 and IC 25-34.1-3-9.5;
 24 (2) civil penalties deposited in the fund under IC 24-5-23.5-9(d);
 25 (3) registration fees imposed on appraisal management companies
 26 under IC 25-34.1-11-15; and
 27 (4) civil penalties deposited under IC 25-34.1-11-17.

28 (c) The treasurer of state shall invest the money in the fund not
 29 currently needed to meet the obligations of the fund in the same manner
 30 as other public money may be invested.

31 (d) Except as otherwise provided in this subsection, money in the
 32 fund at the end of a state fiscal year does not revert to the state general
 33 fund. If the total amount in the investigative fund exceeds seven
 34 hundred fifty thousand dollars (\$750,000) at the end of a state fiscal
 35 year after payment of all claims and expenses, the amount that exceeds
 36 seven hundred fifty thousand dollars (\$750,000) reverts to the state
 37 general fund.

38 (e) Money in the fund is continually appropriated for use by the

1 attorney general and the licensing agency to administer and enforce the
 2 provisions of this article and to conduct investigations and take
 3 enforcement action against real estate and appraisal fraud under this
 4 article. The attorney general shall receive five dollars (\$5) of each fee
 5 collected under IC 25-34.1-2-7 and IC 25-34.1-3-9.5, and the licensing
 6 agency shall receive any amount that exceeds five dollars (\$5) of each
 7 fee collected under IC 25-34.1-2-7 and IC 25-34.1-3-9.5."

8 Page 25, line 12, strike "(a)".

9 Page 25, line 13, delete "selected" and insert "**recommended by**".

10 Page 25, line 14, delete "from members of".

11 Page 25, strike line 22.

12 Page 25, line 23, strike "geographic areas of Indiana."

13 Page 25, delete lines 25 through 42.

14 Page 26, delete lines 1 through 14.

15 Page 26, line 21, strike "in".

16 Page 26, line 21, delete "prelicensing" and insert "**postlicensing**".

17 Page 26, line 27, delete "prelicensing " and insert "**postlicensing**".

18 Page 26, line 35, strike "before the end of each".

19 Page 26, line 36, strike "renewal period." and insert "**each year.**".

20 Page 26, line 40, delete "twelve (12)" and insert "**eight (8)**".

21 Page 27, between lines 22 and 23, begin a new paragraph and insert:

22 "**(c) An individual who applies for a broker's license after July**
 23 **1, 2014, must, during the first two (2) years after the license is**
 24 **issued, take and pass thirty (30) hours of postlicensing education**
 25 **focused on the practical matters of real estate transactions instead**
 26 **of the continuing education requirements of this chapter.**

27 **(d) For license renewal, a managing broker must complete eight**
 28 **(8) hours of continuing education each year. At least four (4) hours**
 29 **of the continuing education must be dedicated to the necessary**
 30 **business and management skills and legal knowledge needed by a**
 31 **managing broker. The commission shall develop or approve the**
 32 **continuing education courses for managing brokers."**

33 Page 27, line 25, delete "(a) Notwithstanding section".

34 Page 27, delete lines 26 through 28.

35 Page 27, line 29, delete "(b)" and insert "**(a)**".

36 Page 27, run in lines 25 through 29.

37 Page 27, line 30, delete "2013," and insert "**2014,**".

38 Page 27, line 31, delete "sixteen (16)" and insert "**eight (8)**".

- 1 Page 27, delete lines 33 through 36.
- 2 Page 27, line 37, delete "(d)" and insert "**(b)**".
- 3 Page 27, between lines 37 and 38, begin a new paragraph and insert:
- 4 "SECTION 35. IC 25-34.1-9-14 IS AMENDED TO READ AS
- 5 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) The approval
- 6 for a sponsor for
- 7 (1) a salesperson's course expires December 31 each
- 8 odd-numbered year; and
- 9 (2) a broker's course expires December 31 each even-numbered
- 10 year.
- 11 (b) A sponsor must submit:
- 12 (1) a letter requesting renewal of approval; and
- 13 (2) the renewal fee;
- 14 at least thirty (30) days before a sponsor's approval expires."
- 15 Page 28, delete lines 23 through 33 and insert:
- 16 "SECTION 38. IC 25-34.1-10-7.5 IS REPEALED [EFFECTIVE
- 17 JULY 1, 2014]. Sec. 7-5: As used in this chapter, "managing broker"
- 18 means a broker who manages a branch office or who acts on behalf of
- 19 a principal broker:
- 20 SECTION 39. IC 25-34.1-10-7.8 IS REPEALED [EFFECTIVE
- 21 JULY 1, 2014]. Sec. 7-8: As used in this chapter, "principal broker"
- 22 means the individual broker (including the broker designated or
- 23 representative of a partnership, corporation, or limited liability
- 24 company) whom the Indiana real estate commission shall hold
- 25 responsible for the actions of licensees who are affiliated with the
- 26 individual broker."
- 27 Page 29, line 9, strike "principal".
- 28 Page 29, line 10, reset in roman "managing".
- 29 Page 35, between lines 21 and 22, begin a new paragraph and insert:
- 30 "SECTION 44. IC 32-28-12.5-2, AS ADDED BY P.L.78-2006,
- 31 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 32 JULY 1, 2014]: Sec. 2. As used in this chapter, "fees or commissions"
- 33 means compensation owed to a **principal managing** broker for
- 34 performing services requiring a license under IC 25-34.1-3-2."
- 35 Page 41, between lines 7 and 8, begin a new paragraph and insert:
- 36 "SECTION 52. IC 32-28-12.5-12, AS ADDED BY P.L.78-2006,
- 37 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 38 JULY 1, 2014]: Sec. 12. A notice of lien recorded under this chapter

- 1 must:
- 2 (1) state:
- 3 (A) the name of the claimant;
- 4 (B) the name of the owner of the commercial real estate upon
- 5 which the lien is claimed;
- 6 (C) a legal description of the commercial real estate upon
- 7 which the lien is claimed;
- 8 (D) the amount for which the lien is claimed; and
- 9 (E) the license number of the ~~principal~~ **managing** broker's
- 10 license under IC 25-34.1;
- 11 (2) contain a statement that the information contained in the notice
- 12 is true and accurate to the knowledge of the signatory;
- 13 (3) be signed by the ~~principal~~ **managing** broker or by a person
- 14 authorized to sign on behalf of the ~~principal~~ **managing** broker;
- 15 and
- 16 (4) be verified."
- 17 Renumber all SECTIONS consecutively.
(Reference is to HB 1102 as introduced.)

and when so amended that said bill do pass.

Representative Gutwein