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STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

Memorandum

VIA E-MAIL

DATE: November 5, 2020

TO: Senator Peter Lucido, Chairperson, JCAR
Representative Matt Maddock, Alternate Chairperson, JCAR
Evan Keimach, Senate Majority Policy Office
Jimmy Biehl, House Republican Policy Office
Tim Reeves, Counsel, JCAR
Elizabeth Edberg, Counsel, JCAR

FROM: Marlon I. Brown, Director of Policy and Legislative Affairs *MB*

SUBJECT: Joint Committee on Administrative Rules (JCAR) Briefing Memo for Rule Set 2019-80 LR (Real Estate Brokers and Salespersons – General Rules)

Rules Primer

The Real Estate Brokers and Salesperson - General Rules pertain to licensure and license renewal for real estate brokers and salespersons and establish requirements for schools offering prelicensure educational programs.

Summary of the Final Proposed Rule

The proposed rules are intended to accomplish the following:

- Amend prelicensure education and experience requirements.
- Clarify the impact on the license of a real estate salesperson or an associate real estate broker when the affiliated broker dies or becomes disabled.
- Clarify the licensee's duties pertaining to service agreements, delivery of an offer or acceptance, trust and escrow accounts, and licensee commissions.
- Amend the prelicensure education requirements and continuing education requirements to ensure that an applicant or licensee has obtained the appropriate education for licensure or renewal.

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- Amend the duties for real estate schools to ensure that they schools preserve appropriate documentation related to students.

Stakeholder Engagement

When drafting these rules, the Michigan Board of Real Estate Brokers and Salespersons rules subcommittee met in open workgroup meetings on June 25, 2019, November 18, 2019, and February 10, 2020. Public notice of the workgroup meetings was given for each of these meetings, and all were attended by members of the public, including licensees, representatives of real estate schools, and representatives of Michigan Realtors. Suggestions and comments were offered by the public. The subcommittee members asked questions regarding the proffered comments and suggestions. The subcommittee also responded to questions presented. The subcommittee adopted many of the suggestions it received.

Public Engagement and Public Hearing/Comment/Information

The public comment period for this rule set began on August 23, 2020 and ended on September 18, 2020, at 5:00 p.m. The notice of public comment period, in addition to being posted in various newspapers as required, was posted on the LARA website, and distributed via email listserv to all interested parties. The public hearing was held at 9:00 a.m. on September 18, 2020, and occurred virtually via Zoom, as permitted under Executive Order 2020-154. The Bureau did not receive any comments by mail or email during the public comment period and there were no comments made during the public hearing.

Modifications Made Due to Public Comment

There were no changes made to the proposed rules as no issues were raised during the public comment period.

Significant Issues Not Incorporated in the Final Proposed Rules

There were no significant issues raised during the workgroup meetings that were not addressed in the final proposed rules.

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