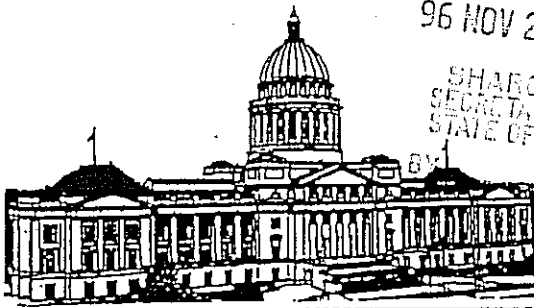


ARKANSAS REGISTER

Transmittal Sheet



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SHARON PRIEST
SECRETARY OF STATE
STATE OF ARKANSAS

Sharon Priest
Secretary of State
State Capitol Rm. 01
Little Rock, Arkansas 72201-1094

For Office Use Only: Effective Date 1/1/97 Code Number 076.00.96--001

Name of Agency Arkansas Real Estate Commission

Department _____

Contact Person _____ Phone (501) 682-2732

Statutory Authority for Promulgating Rules Arkansas Code Annotated §17-42-203 (a)

	Date
Intended Effective Date	Legal Notice Published <u>8/9-15/96</u>
<input type="checkbox"/> Emergency	Final Date for Public Comment <u>9/10/96</u>
<input type="checkbox"/> 10 Days After Filing	Filed With Legislative Council <u>8/9/96</u>
<input checked="" type="checkbox"/> Other	Reviewed by Legislative Council <u>10/3/96</u>
<u>1/1/97</u>	Adopted by State Agency <u>9/10/96</u>

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with Act 434 of 1967 As Amended.

Bud Williams
Signature

(501) 682-2732
Phone Number

Executive Director
Title

November 20, 1996
Date

REGULATION 6.2

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STATE OF ARKANSAS
BY _____

6.2 Inactive Status Renewal.

(a) Any licensee who does not wish to engage in the real estate business at the time of renewal may apply for inactive status.

(1) A licensee who renews a license on inactive status for the calendar year 1994 or later may renew on inactive status for three (3) consecutive calendar years. If such licensee does not activate the license before the end of the third (3rd) calendar year the licensee shall be regarded as an original applicant.

(2) A licensee whose license was renewed on inactive status for the calendar year 1993 or before may renew on inactive status for five (5) consecutive calendar years. If such licensee does not activate the license before the end of the fifth (5th) calendar year, the licensee shall be regarded as an original applicant.

(b) The limitations of Regulation 6.2(a)(1) and (2) shall be increased by the amount of time during inactive status that the licensee:

(1) Holds an active real estate license in another state; or
(2) Is employed by the federal, state, county or local government in a capacity in which the holding of an active real estate license would not be in the public interest; or

(3) Is employed as a full-time instructor at either an accredited postsecondary school or a school or organization licensed by the State Board of Private Career Education whose course of instruction is deemed by the commission to satisfy the educational requirements of the Arkansas Real Estate License Law.

(c) It shall be the responsibility of any person who renews a license on inactive status to promptly notify the commission in writing of any change of name or address.

DEPARTMENT Arkansas Real Estate Commission
 DIVISION _____
 PERSON COMPLETING THIS STATEMENT Bill J. Williamson
 TELEPHONE NO. (501) 682-2732 FAX NO. (501) 682-2729

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE 6.2. Inactive Status Renewal

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No X
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

1996-97 Fiscal Year

1997-98 Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other _____
 Total _____

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other _____
 Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

1996-97 Fiscal Year

1997-98 Fiscal Year

No additional cost

No additional cost

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

1996-97 Fiscal Year

1997-98 Fiscal Year

No additional cost

No additional cost

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REGULATION 7.5

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7.5 Termination or Transfer.

(a) Within seven (7) days after the employment or association of a licensee with a principal broker ends, such principal broker shall notify the commission of such termination and return to the commission the license and pocket card of the terminated licensee. Such notification shall automatically inactivate the license. Immediately upon termination, the terminated licensee shall deliver to the principal broker his/her pocket card.

(b) The license of a licensee terminated under Regulation 7.5(a) may be transferred to another firm, after the license and pocket card have been returned to the commission, by the licensee's filing with the commission a transfer application signed by the new principal broker. Such transfer application must be accompanied by (1) a statement that the licensee is not taking any listings, management contracts, appraisals, lease agreements, or copies of any such documents, or any other pertinent information belonging to the former principal broker or firm, and (2) a transfer fee. At the time the transfer application and the accompanying items are filed, a temporary interim license may be issued.

(c) If an actively licensed broker or salesperson does not wish to continue to engage in the real estate business, such broker or salesperson shall return any license and pocket card in his/her possession to his/her principal broker who shall then return these items to the commission for inactive status. A broker who closes his/her firm shall remove all signs reflecting the company name and shall return all licenses and pocket cards issued to the principal broker to the commission office for inactive status. If a real estate firm shall close its office, any real estate salesperson licensed with such principal broker shall be entitled to transfer to a new principal broker upon compliance with the appropriate provisions of the Arkansas Real Estate License Law and commission regulations.

(d) If the principal broker is deceased, unavailable, or for any reason unwilling or unable to act, then the licensee has the responsibility to notify the commission in writing of the termination or transfer and of returning the pocket card and license.

DEPARTMENT Arkansas Real Estate Commission
 DIVISION _____
 PERSON COMPLETING THIS STATEMENT Bill J. Williamson
 TELEPHONE NO. (501) 682-2732 FAX NO. (501) 682-2729

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE 7.5. Termination or Transfer.

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No X
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

1996-97 Fiscal Year

1997-98 Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other _____
 Total _____

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other _____
 Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

1996-97 Fiscal Year

1997-98 Fiscal Year

No cost determined

No cost determined

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

1996-97 Fiscal Year

1997-98 Fiscal Year

No cost determined

No cost determined

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REGULATION 8.5

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8.5 Fidelity and Honest Dealing.

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STATE OF ARKANSAS

(a) In accepting employment as an agent, a licensee pledges to protect and promote the interests of the client or clients. This obligation of absolute fidelity to the interest of the client or clients is primary, but does not relieve a licensee from the equally binding obligation of dealing honestly with all parties to the transaction.

(b) A licensee shall not offer or advertise property without authority and in any offering or advertisement the price quoted must not be other than that agreed upon with the owners as the offering price.

(c) When acting as agent in the sale or management of property, a licensee shall not accept any commission, rebate, profit, payment, compensation or other valuable consideration from any source in connection with the property without full written disclosure to the party represented by the licensee.

(d) A licensee shall not accept compensation from more than one party without full written disclosure to all parties to the transaction.

DEPARTMENT Arkansas Real Estate Commission
 DIVISION _____
 PERSON COMPLETING THIS STATEMENT Bill J. Williamson
 TELEPHONE NO. (501) 682-2732 FAX NO. (501) 682-2729

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE 8.5. Fidelity and Honest Dealing.

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No X
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

<u>1996-97 Fiscal Year</u>	<u>1997-98 Fiscal Year</u>
General Revenue _____	General Revenue _____
Federal Funds _____	Federal Funds _____
Cash Funds _____	Cash Funds _____
Special Revenue _____	Special Revenue _____
Other _____	Other _____
Total _____	Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

<u>1996-97 Fiscal Year</u>	<u>1997-98 Fiscal Year</u>
No additional cost	No additional cost

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

<u>1996-97 Fiscal Year</u>	<u>1997-98 Fiscal Year</u>
No additional cost	No additional cost

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STATE OF ARKANSAS

REGULATION 10.1

10.1 Dealing Independently of Principal Broker.

(a) If a principal broker or executive broker learns a salesperson, associate broker or executive broker licensed under such principal broker or executive broker has, without permission of the principal broker or executive broker, engaged in real estate activities independently or through some other broker, it is the duty of the principal broker or executive broker to immediately notify the commission in writing and forward such licensee's license to the commission.

(b) Any salesperson, associate broker or executive broker who engages in real estate activities independently or through some other broker without permission from the principal broker or executive broker shall be presumed to be in violation of A.C.A. §17-42-311 and subject to appropriate sanctions.

DEPARTMENT Arkansas Real Estate Commission
DIVISION _____
PERSON COMPLETING THIS STATEMENT Bill J. Williamson
TELEPHONE NO. (501) 682-2732 FAX NO. (501) 682-2729

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE 10.1. Dealing Independently of Principal Broker.

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No X
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

1996-97 Fiscal Year

1997-98 Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other _____
Total _____

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other _____
Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

1996-97 Fiscal Year
No additional cost

1997-98 Fiscal Year
No additional cost

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

1996-97 Fiscal Year
No additional cost

1997-98 Fiscal Year
No additional cost

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REGULATION 10.5

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SECRETARY OF STATE
STATE OF ARKANSAS

10.5 Advertising.

- (a) A licensee may not advertise any property, including the licensee's own property, for sale or rent, or display a real estate sign without including in that advertisement or sign the name of the firm with whom that licensee is licensed.
- (b) A principal broker and any persons licensed with said principal broker shall not advertise or otherwise conduct real estate brokerage business under any name other than the name in which the principal broker's license has been issued.
- (c) In public advertising a principal broker shall be especially careful to present a true picture and should not permit licensees to use individual names or telephone numbers, unless the licensee's connection with the broker is obvious in the advertisement.

DEPARTMENT Arkansas Real Estate Commission
 DIVISION _____
 PERSON COMPLETING THIS STATEMENT Bill J. Williamson
 TELEPHONE NO. (501) 682-2732 FAX NO. (501) 682-2729

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE 10.5. Advertising.

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No X
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

<u>1996-97 Fiscal Year</u>	<u>1997-98 Fiscal Year</u>
General Revenue _____	General Revenue _____
Federal Funds _____	Federal Funds _____
Cash Funds _____	Cash Funds _____
Special Revenue _____	Special Revenue _____
Other _____	Other _____
Total _____	Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

<u>1996-97 Fiscal Year</u>	<u>1997-98 Fiscal Year</u>
No additional cost	No additional cost

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

<u>1996-97 Fiscal Year</u>	<u>1997-98 Fiscal Year</u>
No additional cost	No additional cost

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STATE OF ARKANSAS

REGULATION 10.10

10.10 Agreements to be Written.

BY _____

(a) Except as provided in Regulation 10.10(b), a licensee, for the protection of the public and of all parties with whom the licensee deals, shall see that the exact agreement of the parties regarding real estate is in writing, and that signed copies of such agreements are delivered to all parties involved. (Examples: Offer and acceptance contracts, closing statements, lease agreements, management agreements, financial obligations and commitments, etc.)

(b) It is strongly recommended that listing agreements be in writing.

(c) In compliance with the Arkansas Supreme Court decision in the case of Pope County Bar Association, Inc. vs. Suggs, 624 S.W. 2d 828 (1981), real estate forms used by licensees in the regular course of business shall be approved by a licensed Arkansas attorney prior to use. The licensee shall be responsible for providing evidence of such approval by a licensed Arkansas attorney upon request of the Commission.

DEPARTMENT Arkansas Real Estate Commission
 DIVISION _____
 PERSON COMPLETING THIS STATEMENT Bill J. Williamson
 TELEPHONE NO. (501) 682-2732 FAX NO. (501) 682-2729

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE 10.10. Agreements to be Written.

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No X
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

1996-97 Fiscal Year

1997-98 Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other _____
 Total _____

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other _____
 Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

1996-97 Fiscal Year
 No additional cost

1997-98 Fiscal Year
 No additional cost

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

1996-97 Fiscal Year
 No additional cost

1997-98 Fiscal Year
 No additional cost

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STATE OF ARKANSAS

REGULATION 10.16

10.16 Criminal Convictions and Disciplinary Actions. BY _____

(a) A licensee who is convicted of or pleads guilty or nolo contendere to any crime other than a traffic violation shall make written report thereof to the commission within thirty (30) days after the conviction or plea. The report shall include the date of the offense and of the conviction or plea, the name and address of the court, the specific crime for which convicted, or to which the plea is entered, the fine, penalty and/or other sanctions imposed, and copies of the charging document and judgment of conviction or other disposition, including probation or suspension of sentence. The report shall also include the licensee's explanation of the circumstances which led to the charge and conviction or plea, along with any other information which the licensee wishes to submit.

(b) A licensee who after the initiation of an investigation, hearing or other administrative action surrenders or who has a professional, vocational or occupational license, permit, certification or registration denied, revoked, suspended or cancelled or who is subjected to any sanctions, including probation, involving such license, permit, certification or registration shall make written report thereof to the commission within thirty (30) days after such action. The report shall include the date of the action, the name and address of the regulatory agency which has taken the action and copies of documents pertaining thereto. The report shall also include the licensee's explanation of the circumstances which led to the action, along with any additional information the licensee wishes to submit.

(c) An applicant for a real estate license who has been convicted of or pleaded guilty or nolo contendere to any crime other than a traffic violation or who after the initiation of an investigation, hearing or other administrative action has surrendered or has had a professional, vocational or occupational license, permit, certification or registration denied, revoked, suspended or cancelled or who has been subjected to any sanctions, including probation, involving such a license, permit, certification or registration shall furnish the written report referred to in Regulation 10.16 (a) and/or (b) to the commission at the time the application is submitted if such action has already occurred, otherwise such report shall be made immediately after the action occurs.

DEPARTMENT Arkansas Real Estate Commission
 DIVISION _____
 PERSON COMPLETING THIS STATEMENT Bill J. Williamson
 TELEPHONE NO. (501) 682-2732 FAX NO. (501) 682-2729

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE 10.16. Criminal Convictions and Disciplinary Actions

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No X
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

1996-97 Fiscal Year

1997-98 Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other _____
 Total _____

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other _____
 Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

1996-97 Fiscal Year
 No additional cost

1997-98 Fiscal Year
 No additional cost

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

1996-97 Fiscal Year
 No additional cost

1997-98 Fiscal Year
 No additional cost

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BY _____

REGULATION 11.3

11.3 Approved Courses and Instructors.

Only those courses and instructors which are approved by the State Board of Private Career Education or which are exempted from such approval by Section 23(4) of Act 690 of 1993 [A.C.A. §17-42-504] shall be accepted by the commission for continuing education credit.

DEPARTMENT Arkansas Real Estate Commission
 DIVISION _____
 PERSON COMPLETING THIS STATEMENT Bill J. Williamson
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FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE 11.3. Approved Courses and Instructors.

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No X
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

1996-97 Fiscal Year

1997-98 Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other _____
 Total _____

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other _____
 Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

1996-97 Fiscal Year

1997-98 Fiscal Year

No additional cost

No additional cost

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

1996-97 Fiscal Year

1997-98 Fiscal Year

No additional cost

No additional cost

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