

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

As Engrossed: S3/5/25

A Bill

HOUSE BILL 1558

5 By: Representatives McGrew, R. Scott Richardson, Bentley, R. Burkes, Duffield, Furman, Long,
6 McClure, Torres

7 By: Senator Caldwell
8

For An Act To Be Entitled

10 AN ACT TO AMEND THE LAW CONCERNING THE ARKANSAS REAL
11 ESTATE COMMISSION; TO CREATE A PROPERTY MANAGEMENT
12 BROKER AND PROPERTY MANAGEMENT ASSOCIATE LICENSE; TO
13 AMEND THE REAL ESTATE LICENSE LAW; AND FOR OTHER
14 PURPOSES.
15
16

Subtitle

18 TO AMEND THE LAW CONCERNING THE ARKANSAS
19 REAL ESTATE COMMISSION; TO CREATE A
20 PROPERTY MANAGEMENT BROKER AND PROPERTY
21 MANAGEMENT ASSOCIATE LICENSE; AND TO
22 AMEND THE REAL ESTATE LICENSE LAW.
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. DO NOT CODIFY. Legislative findings.

27 The General Assembly finds that:

28 (1) The Arkansas Real Estate Commission currently requires an
29 individual to have a real estate broker license issued through the commission
30 to rent or lease real property on behalf of an owner;

31 (2) The knowledge and skills necessary for a property management
32 broker to protect citizens and the business community can be specialized and
33 does not require the same skills and knowledge as those for a real estate
34 broker or salesperson;

35 (3) A property management broker license could create a higher quality
36 of property management broker in Arkansas with specialized knowledge;



1 (4) The creation of a property management broker license would reduce
2 the education burden on individuals who might not otherwise pursue other real
3 estate broker license occupations and potentially create new jobs; and

4 (5) The commission is the appropriate entity to license an individual
5 as a property management broker or as a property management associate.

6
7 SECTION 2. Arkansas Code § 17-42-103 is amended to read as follows:
8 17-42-103. Definitions.

9 As used in this chapter:

10 (1)(A) “Associate broker” means an individual who has a broker’s
11 license and who is employed by a principal broker, or is associated with a
12 principal broker as an independent contractor, and who participates in any
13 activity described in subdivision (10) or subdivision (12) of this section
14 while under the supervision of a principal broker or executive broker.

15 (B) An associate broker shall have no supervisory
16 authority over any other licensee;

17 (2) “Branch office” means a principal broker’s office or
18 property management broker’s office other than his or her principal place of
19 business;

20 (3) “Broker’s price opinion” means an estimate prepared by a
21 licensee salesperson or real estate broker that details the probable selling
22 price of real estate and provides a varying level of detail about the real
23 estate’s condition, market, and neighborhood, and information about sales of
24 comparable real estate;

25 (4) “Classroom hour” means a period of at least fifty (50)
26 minutes, but not more than sixty (60) minutes, of actual classroom
27 instruction with ~~the~~ an instructor present;

28 (5) “Continuing education” means postlicensure education derived
29 from participation in courses in real estate-related subjects that have been
30 approved by the Arkansas Real Estate Commission or that are not required to
31 be approved by the commission;

32 (6) “Continuing education unit” means a period of ten (10)
33 contact hours of actual classroom instruction with ~~the~~ an instructor present;

34 (7)(A) “Executive broker” means an individual who:

35 (i) Has a real estate broker’s license;

36 (ii) Is employed by a principal broker or associated

1 with a principal broker as an independent contractor; and

2 (iii) Participates in any activity described in
3 subdivision (10) or subdivision (12) of this section while under the
4 supervision of a principal broker.

5 (B) An executive broker may supervise associate brokers
6 and salespersons;

7 (8)(A) "Licensee" means an individual who holds any type of
8 license issued by the commission.

9 (B) "Licensee" includes a principal broker, an executive
10 broker, an associate broker, ~~and a salesperson,~~ a property management
11 associate, and a property management broker.

12 (C) This chapter does not preclude a licensee from:

13 (i) Doing business as a:

14 (a) Professional corporation under § 4-29-101
15 et seq.; or

16 (b) Professional limited liability company
17 under § 4-38-1201 et seq.; or

18 (ii) Receiving payment from a real estate firm or
19 principal broker of an earned commission to the licensee's legal business
20 entity if the licensee earned the commission on behalf of the real estate
21 firm or principal broker;

22 (9) "Participate in a real estate auction" means to do any act
23 or conduct for compensation or the expectation of compensation on behalf of a
24 seller at auction and designed, intended, or expected to affect the bidding
25 or results of a real estate auction, including without limitation serving as
26 an auctioneer or ringman or encouraging, soliciting, or receiving bids;

27 (10)(A) "Principal broker" means an individual expecting to act
28 or acting for another for a fee, commission, or other consideration who:

29 ~~(A)(i)~~ Sells, exchanges, purchases, rents, or leases
30 real estate;

31 ~~(B)(ii)~~ Offers to sell, exchange, purchase, rent, or
32 lease real estate;

33 ~~(C)(iii)~~ Negotiates, offers, attempts, or agrees to
34 negotiate the sale, exchange, purchase, rent, or lease of real estate;

35 ~~(D)(iv)~~ Lists, offers, attempts, or agrees to list
36 real estate for sale, lease, or exchange;

1 ~~(E)~~(v) Auctions, offers, attempts, or agrees to
2 auction real estate, or participates in a real estate auction;

3 ~~(F)~~(vi) Buys, sells, or assigns or offers to buy,
4 sell, or assign or otherwise deals in options on real estate or improvements
5 to real estate;

6 ~~(G)~~(vii) Collects, offers, attempts, or agrees to
7 collect rent for the use of real estate;

8 ~~(H)~~(viii) Advertises or holds himself or herself out
9 as being engaged in the business of buying, selling, exchanging, renting, or
10 leasing real estate;

11 ~~(I)~~(ix) Assists or directs in the procuring of
12 prospects calculated to result in the sale, exchange, lease, or rent of real
13 estate;

14 ~~(J)~~(x) Assists or directs in the negotiation of any
15 transaction calculated or intended to result in the sale, exchange, lease, or
16 rent of real estate;

17 ~~(K)~~(xi) Engages in the business of charging an
18 advance fee in connection with any contract whereby he or she undertakes to
19 promote the sale or lease of real estate either through its listing in a
20 publication issued for such a purpose or for referral of information
21 concerning the real estate to brokers, or both; or

22 ~~(L)~~(xii) Performs any of the acts described in this
23 subdivision (10) as an employee of or on behalf of the owner of, or any
24 person who has an interest in, real estate+.

25 (B) A principal broker may perform any act listed in
26 subdivision (12) of this section;

27 (11)(A) "Property management associate" means an individual who
28 has a property management associate license and who is employed by a property
29 management broker, or is associated with a property management broker as an
30 independent contractor, and who participates in an activity described in
31 subdivision (12) of this section while under the supervision of a property
32 management broker.

33 (B) A property management associate shall have no
34 supervisory authority over another licensee;

35 (12) "Property management broker" means an individual licensed
36 under this chapter who for a salary, commission, or compensation of any kind

1 or with the intent or expectation of receiving valuable consideration engages
2 in the business of leasing, renting, or subleasing real estate located in
3 this state on behalf of an owner, lessor, or potential lessee and who:

4 (A) Accepts employment by or on behalf of the owner,
5 lessor, or potential lessee of real estate to promote or conduct the leasing
6 or subleasing of the real estate;

7 (B) Negotiates or attempts to negotiate the lease of real
8 estate located in this state or of the improvements on real estate located in
9 this state;

10 (C) Engages in the business of promoting the lease or
11 rental of real estate located in this state;

12 (D) Assists in completing real estate lease contracts or
13 property management agreements;

14 (E) Procures tenants for owners of real estate located in
15 this state;

16 (F) Aids or offers to aid for a fee a person in locating
17 or obtaining real estate for lease in this state;

18 (G) Makes the advertising of real property for lease
19 available by public display to potential tenants;

20 (H) Shows rental or leased properties to potential
21 tenants;

22 (I) In conjunction with property management
23 responsibilities, acts as a liaison between the owners of real estate and a
24 tenant or potential tenant;

25 (J) In conjunction with property management
26 responsibilities, generally oversees the inspection, maintenance, and upkeep
27 of leased real estate belonging to others;

28 (K) In conjunction with property management
29 responsibilities, collects rents or attempts to collect rents for real estate
30 located in this state;

31 (L) Pays a fee, commission, or other compensation to a
32 licensed broker, salesperson, or property manager for referral of the name of
33 a prospective lessor or lessee of real property;

34 (M) Receives a fee, commission, or other compensation from
35 a licensed real estate broker, salesperson, or property management broker for
36 referring the name of a prospective lessor or lessee of real property; or

1 (N) Advertises or represents to the public that the
 2 individual is engaged in any of the activities referred to in this
 3 subdivision (12);

4 ~~(11)(A)~~(13)(A) “Real estate” means an interest in real property.

5 (B) “Real estate” includes without limitation a leasehold,
 6 time-share interval, or an interest in real property that is purchased or
 7 sold in connection with the purchase or sale of all or part of the assets,
 8 stock, or other ownership interest of a business or other organization;

9 (14) “Real estate broker” means a principal broker, an executive
 10 broker, or an associate broker;

11 ~~(12)~~(15) “Salesperson” means an individual who:

12 (A) Has a salesperson’s license;

13 (B) Is employed by a principal broker or is associated
 14 with a principal broker as an independent contractor; and

15 (C) Participates in any activity described in subdivision
 16 (10) or subdivision (12) of this section while under the supervision of a
 17 principal broker or executive broker; and

18 ~~(13)~~(16) “Unlicensed real estate activity” means offering or
 19 engaging in any practice, act, or operation set forth in subdivision (10) or
 20 subdivision (12) of this section without a valid active Arkansas license
 21 issued by the commission.

22
 23 SECTION 3. Arkansas Code § 17-42-104(a)(6), concerning exemptions to
 24 Real Estate License Law, is amended to read as follows:

25 (6) A person other than a property management associate employed
 26 only at a salaried or hourly rate to engage in the leasing of real ~~property~~
 27 estate for or on behalf of a licensed principal broker, the real estate firm
 28 of a licensed principal broker, a licensed property management broker, or an
 29 owner of real estate, if the person:

30 (A) Does not otherwise engage in or offer to perform any
 31 practice, act, or operation set forth in § 17-42-103(10) or § 17-42-103(12)
 32 other than receiving a security deposit or payment as permitted by
 33 subdivision (a)(6)(B)(iii) of this section; and

34 (B) Performs only one (1) or more of the following
 35 functions:

36 (i) Delivering a lease application, lease, or an

1 amendment to a lease application or lease to any person;

2 (ii) Receiving a lease application, lease, or an
3 amendment to a lease application for delivery to the principal broker, real
4 estate firm, property management broker, or owner;

5 (iii) Receiving a security deposit, rental payment,
6 or any related payment for delivery to and made payable to the principal
7 broker, real estate firm, property management broker, or owner;

8 (iv) Acting under the direct written instructions of
9 the principal broker, real estate firm, property management broker, or owner:

10 (a) Showing a rental unit to any person; or

11 (b) Assisting in the execution of a preprinted
12 lease or rental agreement containing terms established by the principal
13 broker, real estate firm, property management broker, or owner; or

14 (v) Conveying information prepared by the principal
15 broker, real estate firm, property management broker, or owner about a lease
16 application, lease, the status of a security deposit, or the payment of rent
17 to or from any person;

18
19 SECTION 4. Arkansas Code § 17-42-107(a), concerning the capacity to
20 sue and be sued under the Real Estate License Law, is amended to read as
21 follows:

22 (a) An action or suit shall not be instituted, nor recovery be had, in
23 any court of this state by any person or other legal entity for compensation
24 for performance of any acts described in § 17-42-103(10) or § 17-42-103(12)
25 unless at the time of offering to perform and performing any such act or
26 procuring any promise to contract for the payment of compensation for any
27 such contemplated act:

28 (1) The person holds an active license under this chapter as a
29 principal broker; ~~or~~

30 (2) The person or other legal entity was the owner of the real
31 estate firm that contracted for or otherwise performed the acts for the
32 compensation that is the subject of the action or suit through either a
33 principal broker or a person approved by the Arkansas Real Estate Commission
34 under § 17-42-301(f) while licensed or approved by the commission at the time
35 of the acts;

36 (3) The person holds an active license under this chapter as a

1 property management broker; or

2 (4) The person or other legal entity was the owner of the
3 property management firm that contracted for or otherwise performed the acts
4 for the compensation that is the subject of the action or suit through either
5 a property management broker or a person approved by the commission under §
6 17-42-301(h) while licensed or approved by the commission at the time of the
7 acts.

8
9 SECTION 5. Arkansas Code § 17-42-109(b), concerning civil penalties
10 for engaging in unlicensed real estate activity, is amended to read as
11 follows:

12 (b) The fact that a person offers to engage in or offers to perform
13 any practice, act, or operation set forth in § 17-42-103(10) or § 17-42-
14 103(12) without ~~a~~ the appropriate license is prima facie evidence that the
15 person is engaged in unlicensed real estate activity.

16
17 SECTION 6. Arkansas Code § 17-42-110(a), concerning the authority to
18 issue broker's price opinions, is amended to read as follows:

19 (a) A ~~licensee~~ real estate broker or salesperson may prepare, provide,
20 and collect a fee for issuing a broker's price opinion for:

21 (1) An existing or potential seller for the purposes of listing
22 and selling real estate;

23 (2) An existing or potential buyer of real estate;

24 (3) A third party making decisions or performing due diligence
25 related to the potential listing, offering, sale, exchange, option, lease, or
26 acquisition price of real estate; or

27 (4)(A) An existing or potential lienholder.

28 (B) However, a broker's price opinion prepared for an
29 existing or potential lienholder in conjunction with the purchase of a
30 buyer's principal residence shall not be used as the primary basis to
31 determine the value of the buyer's principal residence for the purpose of a
32 loan origination of a residential mortgage loan secured by the buyer's
33 principal residence.

34
35 SECTION 7. Arkansas Code Title 17, Chapter 42, Subchapter 1, is
36 amended to add an additional section to read as follows:

1 17-42-111. Rules.

2 The Arkansas Real Estate Commission shall promulgate rules to implement
3 this act.

4
5 SECTION 8. Arkansas Code § 17-42-203(e), concerning the powers and
6 duties of the Arkansas Real Estate Commission, is amended to add an
7 additional subdivision to read as follows:

8 (3) Shall post prominently on the commission's website a link
9 entitled "Property Management Licensee Information" that leads directly to
10 information that is helpful to existing and prospective property management
11 brokers and property management associates, including without limitation:

12 (A) Application and renewal requirements, procedures,
13 forms, deadlines, and related information;

14 (B) Commission-sponsored educational courses and materials
15 and other educational courses and materials; and

16 (C) Links to websites containing industry standards and
17 best practices.

18
19 SECTION 9. Arkansas Code § 17-42-301(a) and (b), concerning licenses
20 required by the Arkansas Real Estate Commission and violations of the Real
21 Estate License Law, are amended to read as follows:

22 (a) ~~No~~ A person shall not practice or represent himself or herself as
23 a real estate broker, property management associate, property management
24 broker, or salesperson without first applying for and receiving ~~a~~ the
25 appropriate license to practice under this chapter.

26 (b) Any person who directly or indirectly for another with the
27 intention, or on the promise of receiving any valuable consideration, offers,
28 attempts, or agrees to perform any single act described in § 17-42-103(10) or
29 § 17-42-103(12), whether as part of a transaction or as an entire
30 transaction, shall be deemed a broker, property management associate,
31 property management broker, or salesperson within the meaning of this
32 chapter.

33
34 SECTION 10. Arkansas Code § 17-42-301(d), concerning license required
35 by the Arkansas Real Estate Commission and violations of the Real Estate
36 License Law, is amended to read as follows:

1 (d) It shall be unlawful for any person, directly or indirectly, to
2 act as a real estate broker, property management associate, property
3 management broker, or salesperson without first obtaining a the appropriate
4 license and otherwise complying with the provisions of this chapter.

5
6 SECTION 11. Arkansas Code § 17-42-301(e), concerning licenses required
7 by the Arkansas Real Estate Commission and violations of the Real Estate
8 License Law, is amended to read as follows:

9 (e)(1) Notwithstanding the provisions of this section, a person or
10 other legal entity not licensed by the Arkansas Real Estate Commission may
11 own a real estate firm, provided the employees or agents employed by or
12 associated with the firm who perform real estate activities identified under
13 § 17-42-103(10) or § 17-42-103(12) hold an active license under this chapter.

14 (2) The firm may enter into contracts or otherwise perform
15 activities identified under § 17-42-103(10) or § 17-42-103(12) only through a
16 principal broker and a licensee employed by or associated with the principal
17 broker that holds an active license issued by the commission at the time of
18 performing the contract or activities.

19
20 SECTION 12. Arkansas Code § 17-42-301, concerning licenses required by
21 the Arkansas Real Estate Commission and violations of the Real Estate License
22 Law, is amended to add additional subsections to read as follows:

23 (g)(1) Notwithstanding the provisions of this section, a person or
24 other legal entity not licensed by the commission may own a property
25 management firm, provided the employees or agents employed by or associated
26 with the firm who perform property management activities identified under §
27 17-42-103(12) hold an active license under this chapter.

28 (2) A firm under subdivision (g)(1) of this section may enter
29 into contracts or otherwise perform activities identified under § 17-42-
30 103(12) only through a property management broker or a licensee employed by
31 or associated with the property management broker who holds an active license
32 issued by the commission at the time of performing the contract or
33 activities.

34 (h) The commission may provide for the continuing temporary operation
35 of a property management firm having all rights under § 17-42-107(a) upon the
36 death, resignation, termination, or incapacity of the property management

1 broker or upon the closing of a property management firm, under the direction
2 of a person approved by the commission, subject to time limitations and other
3 conditions imposed by the commission.

4
5 SECTION 13. Arkansas Code § 17-42-303 is amended to read as follows:

6 17-42-303. Education and experience requirements.

7 (a) The Arkansas Real Estate Commission shall establish education
8 requirements for licensure, including the standards and procedures for
9 approval of education programs, subject to the following conditions:

10 (1)~~(A)~~ The ~~most~~ education hours required of an applicant for a
11 real estate broker's license shall not exceed one hundred twenty (120) hours
12 within the thirty-six (36) months immediately preceding the date of
13 application, and shall include

14 ~~(B) Effective on May 1, 2014, an applicant for a broker's~~
15 ~~license shall complete at least forty-five (45) of the required education~~
16 ~~hours in a course developed by the commission; and~~

17 (2) The ~~maximum number of~~ education hours required of an
18 applicant for a salesperson's license shall not exceed ninety (90) hours, at
19 least thirty (30) hours of which shall be in the basic principles of real
20 estate;;

21 (3) The education hours required of an applicant for a property
22 management broker's license shall not exceed sixty (60) hours and shall
23 include property management principles and practices, including without
24 limitation:

25 (A) Thirty (30) hours consisting of the following topics:

26 (i) Landlord-tenant law;

27 (ii) Federal and state fair housing laws;

28 (iii) The Americans with Disabilities Act of 1990,
29 42 U.S.C. § 12101 et seq;

30 (iv) State licensing law and rules;

31 (v) Trust accounts;

32 (vi) Accounting procedures and recordkeeping;

33 (vii) Contract law; and

34 (viii) Agency and disclosure; and

35 (B) Thirty (30) hours of commission property management
36 supervision best practices; and

1 (4) The education hours required of an applicant for a property
2 management associate's license shall not exceed thirty (30) hours and shall
3 include property management principles and practices, including without
4 limitation:

5 (A) Landlord-tenant law;

6 (B) Federal and state fair housing laws;

7 (C) The Americans with Disabilities Act of 1990, 42 U.S.C.
8 § 12101 et seq;

9 (D) State licensing law and rules;

10 (E) Trust accounts;

11 (F) Accounting procedures and recordkeeping;

12 (G) Contract law; and

13 (H) Agency and disclosure.

14 (b)(1) The commission shall establish the experience requirement for
15 licensure for an applicant for a real estate broker's license subject to the
16 condition of serving an active, bona fide apprenticeship by holding a valid
17 salesperson's license issued by the commission or by holding a valid
18 salesperson's license or real estate broker's license issued by the
19 appropriate licensing agency of another state for a period of not less than
20 twenty-four (24) months within the previous forty-eight-month period
21 immediately preceding the date of application.

22 (2) However, the commission may waive the experience requirement
23 for a real estate broker applicant who has held an active real estate
24 broker's license for a period of not less than eighteen (18) months or who
25 has experience acceptable to the commission in a field considered real
26 estate-related for a period of not less than twenty-four (24) months within
27 the previous forty-eight-month period immediately preceding the date of
28 application.

29 (3) The experience requirement for licensure for an applicant
30 for a property management broker license shall be any combination of:

31 (A) Two (2) years of experience as a licensed property
32 management associate;

33 (B) Two (2) years of experience managing not less than
34 seven (7) residential or commercial units; or

35 (C) A total of two (2) years of a combination of the
36 experience in subdivisions (b)(3)(A) and (b)(3)(B) of this section.

1 (c)(1) The commission shall establish a post-licensure education
2 requirement for individuals in their first ~~year~~ six (6) months of licensure
3 as salespersons, property management associates, property management brokers,
4 or real estate brokers.

5 (2) The commission shall not require more than thirty (30)
6 classroom hours of post-licensure education hours under subsection (c)(1) of
7 this section.

8
9 SECTION 14. Arkansas Code § 17-42-304 is amended to read as follows:
10 17-42-304. Fees.

11 The Arkansas Real Estate Commission shall have authority to establish,
12 charge, and collect the following fees:

13 (1) An application fee not to exceed fifty dollars (\$50.00);

14 (2) An original real estate broker's license fee not to exceed
15 eighty dollars (\$80.00);

16 (3) A real estate broker's license annual renewal fee not to
17 exceed eighty dollars (\$80.00);

18 (4) An original salesperson's license fee not to exceed sixty
19 dollars (\$60.00);

20 (5) A salesperson's license annual renewal fee not to exceed
21 sixty dollars (\$60.00);

22 (6) A real estate broker's expired license fee not to exceed one
23 hundred ten dollars (\$110) per year or fraction thereof;

24 (7) A salesperson's expired license fee not to exceed eighty
25 dollars (\$80.00) per year or fraction thereof;

26 (8) An original property management broker license fee not to
27 exceed eighty dollars (\$80.00);

28 (9) A property management broker license annual renewal fee not
29 to exceed eighty dollars (\$80.00);

30 (10) A property management broker expired license fee not to
31 exceed one hundred ten dollars (\$110.00) per year or fraction thereof;

32 (11) An original property management associate license fee not
33 to exceed sixty dollars (\$60.00);

34 (12) A property management associate annual renewal fee not to
35 exceed sixty dollars (\$60.00);

36 (13) A property management associate expired license fee not to

1 exceed eighty dollars (\$80.00);

2 (14) A license reissuance fee not to exceed thirty dollars
3 (\$30.00);

4 ~~(9)~~(15) An initial duplicate license fee not to exceed thirty
5 dollars (\$30.00);

6 ~~(10)~~(16) A duplicate license annual renewal fee not to exceed
7 thirty dollars (\$30.00);

8 ~~(11)~~(17) A transfer fee not to exceed thirty dollars (\$30.00);

9 ~~(12)(A)~~(18)(A) An examination fee not to exceed seventy-five
10 dollars (\$75.00).

11 (B) However, the commission at its discretion may direct
12 each applicant to pay the actual costs of the examination fee directly to a
13 testing service engaged by the commission to administer the examination;

14 ~~(13)~~(19) Pursuant to § 17-42-313, an appeal filing fee not to
15 exceed one hundred dollars (\$100);

16 ~~(14)~~(20) A Real Estate Recovery Fund fee not to exceed twenty-
17 five dollars (\$25.00); and

18 ~~(15)~~(21) The actual cost of a state and federal criminal history
19 background check.

20

21 SECTION 15. Arkansas Code § 17-42-306 is amended to read as follows:

22 17-42-306. Application procedure – Licensing examination required.

23 (a)(1) Applications for licensure shall be submitted on forms provided
24 by the Arkansas Real Estate Commission.

25 (2) The commission may require any information and documentation
26 needed to determine if the applicant meets the criteria for licensure as
27 provided in this chapter.

28 (3) Each applicant shall pay an application fee and examination
29 fee as the commission may require under § 17-42-304.

30 (4)(A) Applicants that have provided all required information
31 and documentation to the commission may sit for the licensing examination, if
32 a request has been sent to the Identification Bureau of the ~~Department~~
33 Division of Arkansas State Police for a state and federal criminal background
34 check.

35 (B) A ~~real-estate~~ license shall not be issued until the
36 applicant has successfully completed the licensing examination and the

1 commission receives and approves the state and federal criminal background
2 check.

3 (b)(1)(A) An applicant who successfully completes the licensing
4 examination shall pay, within ninety (90) days from the date of the licensing
5 examination, such license fee and Real Estate Recovery Fund fee as the
6 commission may require under § 17-42-304.

7 (B)(i) If the federal criminal background check has not
8 been received by the commission within ninety (90) days of the date of the
9 licensing examination, the date may be extended by the commission until
10 receipt of the federal criminal background check.

11 (ii) A ~~real-estate~~ license shall not be issued until
12 receipt and approval by the commission of the state and federal criminal
13 background checks.

14 (2) The applicant's failure to pay the license fee and Real
15 Estate Recovery Fund fee within the ninety-day period under subdivision
16 (b)(1)(A) of this section shall invalidate the licensing examination results,
17 and the applicant shall be required to make new application and retake the
18 licensing examination as an original applicant.

19

20 SECTION 16. Arkansas Code § 17-42-307(b)(4), concerning license
21 expiration and renewal under the Real Estate License Law, is amended to read
22 as follows:

23 (4) ~~Effective September 30, 2019, the~~ The commission may
24 promulgate rules to add additional hours of continuing education to the
25 annual amount required under subdivision (b)(1)(A) of this section with no
26 statutory maximum for hours of continuing education.

27

28 SECTION 17. Arkansas Code § 17-42-307(c)-(f), concerning license
29 expiration and renewal under the Real Estate License Law, are amended to read
30 as follows:

31 (c)(1) A property management broker or property management associate
32 shall complete annually:

33 (A) Not less than six (6) hours nor more than seven (7)
34 classroom hours of continuing education required by the commission, with at
35 least one (1) classroom hour focusing on safety;

36 (B) The distance education equivalent of subdivision

1 (c)(1)(A) of this section required by the commission; or

2 (C) A course that the commission has determined to
3 demonstrate mastery of an acceptable property management subject.

4 (2) A licensee who satisfies subdivision (c)(1) of this section
5 completes the continuing education requirements for the licensing year.

6 (3) If a licensee files for renewal of a license but fails to
7 provide proof of continuing education, the licensee's license is inactive
8 until proof is provided to the commission.

9 (d)(1) To renew or reactivate a license, a licensee shall complete the
10 number of classroom hours of continuing education or the distance education
11 equivalent of continuing education required by the commission for each
12 inactive year not to exceed a total of thirty (30) classroom hours.

13 (2) Except as provided in subdivision ~~(e)(1)~~(d)(1) of this
14 section, a person is not subject to the education requirements of this
15 section while the person's license is inactive.

16 (3) The commission may waive all or part of the requirements of
17 subdivision ~~(e)(1)~~(d)(1) of this section if a licensee is unable to complete
18 the continuing education due to extenuating circumstances.

19 ~~(d)(1)~~(e)(1) For each active licensee, the commission shall issue a
20 new license for each ensuing renewal period in the absence of a reason or
21 condition that may warrant the refusal of a license, upon receipt of the:

22 (A) Written request for license renewal at least ninety
23 (90) days before the expiration of the license upon forms provided by the
24 commission; and

25 (B) Renewal fee.

26 (2)(A) A broker, ~~or~~ salesperson, property management associate,
27 or property management broker who does not wish to engage in the real estate
28 or property management business may renew a license on inactive status in the
29 absence of a reason or condition that may warrant the refusal of a license
30 upon receipt of the:

31 (i) Written request of the applicant at least ninety
32 (90) days before the expiration of the license upon forms provided by the
33 commission; and

34 (ii) Renewal fee.

35 (B) The commission may limit the number of renewal periods
36 in which a license may be renewed on inactive status.

1 (C) The renewal fee for inactive status is the same as for
2 renewal of an active license.

3 (3) An application for renewal filed after the date established
4 by the commission to renew a license is treated as an application to renew an
5 expired license.

6 ~~(e)~~(f) If a person to whom a valid license has been issued permits the
7 license to expire for a period not in excess of that established by the
8 commission, the commission shall issue to the person a current license
9 without requiring the person to submit to an examination if the person
10 furnishes the information required by the commission, including proof of
11 completion of appropriate continuing education requirements, and pays the fee
12 required by the commission.

13 ~~(f)(1)~~(g)(1) New salesperson, property management associate, property
14 management broker, and real estate broker licensees shall complete post-
15 licensure education under § 17-42-303(c).

16 (2) If the licensee fails to complete the post-licensure
17 education requirements within ~~twelve (12)~~ six (6) months after the date the
18 license was issued, the commission shall place the license on inactive status
19 until the commission receives documentation that the licensee has completed
20 the post-licensure education requirements.

21
22 SECTION 18. Arkansas Code § 17-42-308(a)(2), concerning an inactive
23 license under the Real Estate License Law, is amended to read as follows:

24 (2) The holder of an inactive license shall not practice as a
25 real estate broker, ~~or~~ salesperson, property management associate, or
26 property management broker in this state without first activating the
27 license.

28
29 SECTION 19. Arkansas Code § 17-42-309, concerning a place of business,
30 is amended to add additional subsections to read as follows:

31 (c) Every property management broker shall maintain a place of
32 business and shall display a sign that is permanently attached to the
33 building bearing the name under which the property management broker conducts
34 his or her property management business and the words "property management",
35 "rentals", "leasing", or other words approved by the commission that clearly
36 indicate to the public that the property management broker is engaged in the

1 property management business.

2 (d)(1) If a property management broker maintains a branch office, a
3 duplicate license shall be issued upon payment by the property management
4 broker of the initial fee and, thereafter, such renewal fee as the commission
5 may require under § 17-42-304.

6 (2) However, a duplicate license shall not be issued for a
7 branch office at which property management associates are assigned unless the
8 property management broker establishing the branch office has designated
9 another property management broker with the firm to supervise the property
10 management associates.

11
12 SECTION 20. Arkansas Code § 17-42-310(c)-(e), concerning the names and
13 affiliations of licensees under the Real Estate License Law, are amended to
14 read as follows:

15 (c) The licenses of the principal broker or property management broker
16 and all licensees employed by or associated with him or her shall be retained
17 by the principal broker or property management broker and conspicuously
18 displayed in his or her place of business.

19 (d)(1) Upon the termination of a licensee's employment by or
20 association with a principal broker or property management broker, the
21 licensee shall promptly deliver his or her pocket card to the principal
22 broker or property management broker, and the principal broker or property
23 management broker shall promptly notify the commission of the termination and
24 return to the commission the license and pocket card of the terminated
25 licensee, which shall automatically inactivate the license.

26 (2) If the pocket card is unavailable, the principal broker or
27 property management broker shall promptly ~~se~~ notify the commission in
28 writing.

29 (e) A license inactivated under this section may be transferred to
30 another principal broker or property management broker upon application of
31 the licensee, payment of the relevant fee, and submission of a statement that
32 he or she is not taking any listings, management contracts, appraisals, lease
33 agreements, or copies of any such documents or any other pertinent
34 information belonging to the licensee's previous principal broker, property
35 management broker, or firm.

36

1 SECTION 21. Arkansas Code § 17-42-311(a)(9)–(13), concerning
2 violations under the Real Estate License Law, are amended to read as follows:

3 (9) Acting as a broker ~~or~~, salesperson, property management
4 associate, or property management broker while not licensed with a principal
5 broker or property management broker, representing or attempting to represent
6 a broker other than the principal broker or property management broker with
7 whom he or she is affiliated without the express knowledge and consent of the
8 principal broker or property management broker, ~~or~~ representing himself or
9 herself as a salesperson or having a contractual relationship similar to that
10 of a salesperson with anyone other than a licensed principal broker, or
11 representing himself or herself as a property management associate or having
12 a contractual relationship similar to that of a property management associate
13 with anyone other than a licensed property management broker;

14 (10) Advertising in a false, misleading, or deceptive manner;

15 (11) Being unworthy or incompetent to act as a property
16 management associate, property management broker, real estate broker, or
17 salesperson in such a manner as to safeguard the interests of the public;

18 (12) Paying a commission or valuable consideration to any person
19 for acts or services performed in violation of this chapter, including paying
20 a commission or other valuable consideration to an unlicensed person for
21 participation in a real estate auction; ~~and~~

22 (13) While licensed only as a property management broker or
23 property management associate, participating in or accepting anything of
24 value for the listing, negotiation, or sale of real estate that is not owned
25 by the property management broker or property management associate, including
26 without limitation real estate managed by a property management broker or
27 property management associate; and

28 (14) Any other conduct, whether of the same or a different
29 character from that specified in this section, which constitutes improper,
30 fraudulent, or dishonest dealing.

31
32 SECTION 22. Arkansas Code § 17-42-312(a)(1), concerning investigation
33 of complaints, citations, and penalties under the Real Estate License Law, is
34 amended to read as follows:

35 (a)(1) The Arkansas Real Estate Commission may, on its own motion, and
36 shall, upon the verified complaint in writing of any person, provided that

1 the complaint and any evidence, documentary or otherwise, presented in
2 connection therewith shall make out a prima facie case, investigate the
3 actions of any person engaged in the business or acting in the capacity of a
4 real estate broker, ~~or~~ real estate salesperson, property management
5 associate, or property management broker regardless of whether the
6 transaction was for his or her own account or in his or her capacity as a
7 broker, ~~or~~ salesperson, property management associate, or property management
8 broker.

9
10 SECTION 23. Arkansas Code § 17-42-312(d)(1)(A) and (B), concerning
11 investigation of complaints, citations, and penalties under the Real Estate
12 License Law, are amended to read as follows:

13 (A) A penalty of not more than one hundred dollars (\$100)
14 to a broker, ~~or~~ salesperson, property management associate, or property
15 management broker who:

16 (i) Fails to complete annual education requirements;
17 or

18 (ii) Fails to complete post-licensure education
19 requirements by the established deadline; or

20 (B) A penalty of not more than two hundred fifty dollars
21 (\$250) to a broker, salesperson, property management associate, property
22 management broker, or the supervising broker of a broker, ~~or~~ salesperson, or
23 property management broker if a broker, ~~or~~ salesperson, property management
24 associate, or property management broker:

25 (i) Performs activities that require an active real
26 estate license while his or her license is expired; or

27 (ii) Advertises, publishes, or otherwise distributes
28 information about real property, ~~or~~ real estate brokerage, or property
29 management business or activities in violation of this chapter or rules
30 adopted under this chapter.

31
32 SECTION 24. Arkansas Code § 17-42-313(a), concerning complaints and
33 appeals before the Arkansas Real Estate Commission, is amended to read as
34 follows:

35 (a) Any person whose complaint against a licensed real estate broker,
36 ~~or~~ salesperson, property management associate, or property management broker

1 is dismissed by the Executive Director of the Arkansas Real Estate Commission
2 without a hearing may appeal the dismissal to the Arkansas Real Estate
3 Commission subject to and in accordance with the following provisions:

4 (1) The request for appeal must be in writing and received in
5 the office of the commission not later than sixty (60) days following the
6 date of dismissal by the executive director;

7 (2) The request for appeal must be accompanied by such filing
8 fee as the commission may require pursuant to § 17-42-304; and

9 (3)(A)(i) The appellant must also pay the cost of preparing the
10 record for the commission's review, which cost shall be determined by the
11 commission.

12 (ii)(a) The costs must be paid by the appellant
13 within thirty (30) days after notification of the amount.

14 (b) Otherwise, the appeal shall be dismissed.

15 (B) However, if the commission's review results in a
16 hearing being ordered on the complaint, both the filing fee and the cost of
17 preparing the record shall be refunded to the appellant.

18 (C) Any person who is indigent and unable to pay either
19 the filing fee or the cost of the record, or both, may file a pauper's oath
20 in such form as required by the commission, and, if the commission determines
21 that the appellant is indeed indigent, the filing fee or cost of the record,
22 or both, shall be waived.

23
24 SECTION 25. Arkansas Code § 17-42-314(b), concerning hearings under
25 the Real Estate License Law, is amended to read as follows:

26 (b) Except in cases in which a licensee has obtained a license by
27 false or fraudulent representation, the Arkansas Real Estate Commission shall
28 not investigate the actions of or conduct any disciplinary hearing regarding
29 any real estate broker, ~~or~~ salesperson, property management associate, or
30 property management broker unless the complaint is filed or the investigation
31 initiated within three (3) years from the date of the actions complained of
32 or concerning which an investigation is initiated.

33
34 SECTION 26. Arkansas Code § 17-42-501 is amended as follows:
35 17-42-501. Real estate education program.

36 (a) The Arkansas Real Estate Commission shall establish an education

1 program for real estate brokers, salespersons, and property management
2 licensees to ensure that education is available and accessible to an
3 applicant or a licensee.

4 (b) The education program is intended to fulfill the education
5 requirements for a real estate broker, salesperson, or property management
6 license and to provide real estate and property management courses intended
7 to fulfill the education requirements for a real estate broker, salesperson,
8 or property management license.

9
10 SECTION 27. Arkansas Code § 17-42-502(3)-(5), concerning definitions
11 under the education programs of the Real Estate License Law, are amended to
12 read as follows:

13 (3) "Approved course" means a course of instruction approved by
14 the commission that satisfies the education requirements for prelicense
15 education, postlicense education, or continuing education for a real estate
16 license issued by the commission;

17 (4) "Associate instructor" means a person who is licensed by the
18 commission to teach real estate or property management courses while under
19 the supervision of an administrator or principal instructor that satisfy the
20 education requirements for a real estate license issued by the commission;

21 (5) "Association license" means a license granted by the
22 commission to a real estate trade or professional association offering
23 approved education that satisfies education requirements for a real estate
24 license issued by the commission;

25
26 SECTION 28. Arkansas Code § 17-42-502(12)-(14), concerning definitions
27 under the education programs of the Real Estate License Law, are amended to
28 read as follows:

29 (12) "Nonqualified offering" means a course in real estate
30 education that has not been approved by the commission but is offered to
31 persons intending to apply for a real estate license issued by the
32 commission;

33 (13) "Postlicense education" means real estate or property
34 management education required to be successfully completed within a time
35 frame established by the commission after a real estate or property
36 management license is issued;

1 (14) "Prelicense education" means real estate or property
2 management education required to be successfully completed by an applicant
3 before sitting for the examination for a broker or salesperson license issued
4 by the commission;

5
6 SECTION 29. Arkansas Code § 17-42-502(15)(B)(iv) and (v), concerning
7 definitions under the education programs of the Real Estate License Law, are
8 amended to read as follows:

9 (iv) Advertise as being engaged in the business of
10 offering real estate or property management education courses; and

11 (v) Charge tuition and fees for real estate or
12 property management education courses;

13
14 SECTION 30. Arkansas Code § 17-42-502(17) and (18), concerning
15 definitions under the education programs of the Real Estate License Law, are
16 amended to read as follows:

17 (17) "School license" means a license granted by the commission
18 to a proprietary education institution offering education courses approved by
19 the commission that fulfill mandatory education requirements for attaining or
20 maintaining a real estate license issued by the commission; and

21 (18) "Student" means an applicant or licensee who attends real
22 estate or property management education courses approved by the commission.

23
24 SECTION 31. Arkansas Code § 17-42-503(b), concerning exemptions to the
25 course approval authority of the Arkansas Real Estate Commission, is amended
26 to read as follows:

27 (b) The requirement for course approval by the Arkansas Real Estate
28 Commission under this subchapter does not apply to:

29 (1) A classroom course in a real estate-related subject
30 identified by the commission as an approved topic if it is offered by the
31 National Association of Realtors, the National Association of Real Estate
32 Brokers, or other associated entities;

33 (2) A course of at least three (3) semester hours or equivalent
34 in a real estate or property management subject that is approved by the
35 commission and offered by an accredited college or university;

36 (3) A course in a property management or real estate-related

1 subject offered by the commission;

2 (4) A course or a conference in a property management or real
3 estate-related subject approved by the commission and offered annually on a
4 limited basis in Arkansas; or

5 (5) A course that is not used to fulfill the education
6 requirements of this subchapter for attaining a real estate or property
7 management license.

8

9 SECTION 32. Arkansas Code § 17-42-504(c), concerning requirements to
10 provide real estate education courses under the Real Estate License Law, is
11 amended to read as follows:

12 (c)~~(1)~~ On and after June 1, 2026, a person shall not practice as a
13 provider of property management education for property management licensure
14 unless the commission approves that education practitioner as a subject
15 matter expert in the field of property management or that person holds a
16 property management broker license issued by the commission.

17 (d) A person or school shall not represent that an offered property
18 management course satisfies the education requirements for property
19 management licensure unless the course is approved by the commission.

20 (e)(1) It is a violation of this subchapter to fail to obtain:

21 (A) A license to practice as a provider of real estate
22 education for real estate licensure; ~~or~~

23 (B) Approval for a real estate education course by the
24 commission;

25 (C) A license to practice as a provider of property
26 management education for property management licensure; or

27 (D) Approval for a property management education course by
28 the commission.

29 (2) A real estate or property management education course
30 offered in violation of this subchapter is a nonqualified offering.

31

32 SECTION 33. Arkansas Code § 17-42-506 is amended to read as follows:
33 17-42-506. Powers and duties.

34 (a) The Arkansas Real Estate Commission may adopt rules as necessary
35 to implement this subchapter.

36 (b) The commission shall license, approve, and regulate schools,

1 associations, principal instructors, and associate instructors offering
2 commission-approved prelicense, postlicense, and continuing education courses
3 offered to satisfy education requirements for ~~real-estate~~ licensure under
4 this chapter.

5 (c) The commission shall establish the licensing or education
6 requirements for:

7 (1) A school or association that applies for a license to offer
8 ~~real-estate~~ courses that satisfy the education requirements for ~~real-estate~~
9 licensure under this chapter;

10 (2) Principal and associate instructors of courses approved by
11 the commission;

12 (3) Courses that satisfy the education requirements for
13 applicants for ~~real-estate~~ licensure ~~and~~ under this chapter, real estate
14 licensees, and property management licensees; and

15 (4) Guest speakers of courses approved by the commission.

16 (d) The commission shall:

17 (1) Establish procedural guidelines for licensed schools and
18 their locations and those providing real estate or property management
19 education designed for students to meet the education requirements for a real
20 estate license or property management license issued by the commission;

21 (2) Charge fees and pay the necessary expenses to develop,
22 approve, sponsor, contract for, or conduct real estate or property management
23 courses and seminars for real estate or property management licensees or
24 instructors of real estate or property management education;

25 (3) Maintain in electronic format a list of the names of ~~real~~
26 ~~estate~~ approved schools, associations, administrators, instructors, and
27 courses approved under this subchapter;

28 (4) Publish in electronic format the names of the persons,
29 associations, or schools that have been sanctioned by formal hearing or
30 consent order under this subchapter;

31 (5) Periodically monitor courses offered or taught by the
32 licensed schools and instructors; and

33 (6) Establish course requirements with respect to:

34 (A) Accessibility;

35 (B) Attendance;

36 (C) Satisfactory completion; ~~and~~

1 (D) Curricula; and

2 (E) Student license or applicant type.

3
4 SECTION 34. Arkansas Code § 17-42-513(a), concerning the approval of
5 courses and course content by the Arkansas Real Estate Commission, is amended
6 to read as follows:

7 (a) Except for courses exempted in § 17-42-503(b), a real estate or
8 property management course that is intended to satisfy the education
9 requirements for a real estate or property management license issued by the
10 Arkansas Real Estate Commission shall first be approved by the ~~Arkansas Real~~
11 ~~Estate Commission~~ commission.

12
13 SECTION 35. Arkansas Code § 17-42-514(a)(1), concerning curricula
14 required by the Real Estate License Law, is amended to read as follows:

15 (1) Require ~~not less than six (6) nor more than seven (7)~~
16 ~~classroom hours of~~ continuing education for licensees under § 17-42-307;

17
18 SECTION 36. Arkansas Code § 17-42-514(a), concerning curricula
19 required by the Real Estate License Law, is amended to add an additional
20 subdivision to read as follows:

21 (6) Develop and require a specific curriculum for continuing
22 education courses for property management associates and property management
23 broker licensees.

24
25 SECTION 37. Arkansas Code § 17-42-514 is amended to read as follows:
26 17-42-514. Curricula.

27 (a) The Arkansas Real Estate Commission may:

28 (1) Require not less than six (6) nor more than seven (7)
29 classroom hours of continuing education for licensees;

30 (2) Identify subject matter topics for continuing education
31 courses;

32 (3) Identify a specific topic of not more than three (3)
33 classroom hours to be included in the annual continuing education
34 requirement;

35 (4) Develop and require a specific curriculum for continuing
36 education courses for licensed brokers or their designees; and

1 (5) Identify subject matter topics for which licensed schools
2 and instructors may develop courses that fulfill the annual continuing
3 education requirements.

4 (b)(1) The commission may develop the curricula for prelicense and
5 postlicense education.

6 (2) Prelicense and postlicense courses that are intended to
7 satisfy the education requirements for a property management license shall be
8 approved by the commission for participation and attendance by applicants for
9 property management licensure.

10 (3) Prelicense and postlicense courses that are intended to
11 satisfy the education requirements for a real estate license shall only be
12 approved by the commission for participation and attendance by applicants for
13 a real estate license.

14
15 SECTION 38. Arkansas Code § 17-42-515 is amended to read as follows:
16 17-42-515. Violations.

17 An applicant for a ~~real estate educator~~ license or a licensee under
18 this chapter is subject to disciplinary action under this subchapter if the
19 applicant for a ~~real estate educator~~ license or a licensee pleads guilty or
20 nolo contendere to or is found guilty of any of the following:

21 (1) Obtaining a ~~real estate educator license~~ an instructor
22 license, school license, or ~~real estate~~ education course approval by fraud,
23 misrepresentation, or concealment;

24 (2) Violating this subchapter, the rules adopted by the Arkansas
25 Real Estate Commission, or an order issued by the commission;

26 (3) Committing an act, a felony, or a crime involving moral
27 turpitude, fraud, dishonesty, untruthfulness, or untrustworthiness regardless
28 of whether the imposition of the sentence has been deferred or suspended;

29 (4) Engaging or allowing unlawful discriminatory practices;

30 (5) Violating the requirements of the Americans with
31 Disabilities Act of 1990, 42 U.S.C. § 12101 et seq., regarding access to and
32 delivery of real estate or property management education courses;

33 (6) Issuing or reporting a false certificate of completion for a
34 real estate or property management education course;

35 (7) Teaching a course in a way that instructs licensees to
36 engage in unlawful or noncompliant activities;

1 (8) Failing to monitor attendance of students to ensure
2 satisfactory completion of real estate or property management education
3 courses approved by the commission;

4 (9) Utilizing an instructor or guest speaker who does not meet
5 the requirements of this subchapter;

6 (10) Making a substantial misrepresentation of a material fact
7 to the commission;

8 (11) Advertising in a false, misleading, or deceptive way;

9 (12) Being unworthy or incompetent to act or operate as a real
10 estate education school or association or a real estate educator; ~~or~~

11 (13) Refusing or failing to make available to the commission for
12 inspection the records required to be maintained by a principal instructor or
13 administrator;

14 (14) Refusing or failing to cooperate with an investigation
15 commenced by the commission under this chapter; or

16 (15) Engaging in other conduct that constitutes improper,
17 fraudulent, or dishonest dealing.

18
19 SECTION 39. TEMPORARY LANGUAGE. DO NOT CODIFY. Change of heading for
20 Title 17, Chapter 42, Subchapter 5.

21 The Code Revisor shall change the heading of Title 17, Chapter 42,
22 Subchapter 5 from "Renewal of Licenses" To "Real Estate and Property
23 Management Education".

24
25 SECTION 40. DO NOT CODIFY. Rules implementing this act.

26 (a)(1) When adopting the initial rules to implement this act, the
27 final rules shall be filed with the Secretary of State for adoption under §
28 25-15-204(f):

29 (A) On or before June 1, 2026; or

30 (B) If approval under § 10-3-309 has not occurred by June
31 1, 2026, as soon as practicable after approval under § 10-3-309.

32 (2) The Arkansas Real Estate Commission shall file the proposed
33 rules with the Legislative Council under § 10-3-309(c) sufficiently in
34 advance of June 1, 2026, so that the Legislative Council may consider the
35 rule for approval before June 1, 2026.

36 (b) The General Assembly finds that:

