

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

NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING
August 5, 2019

CHAPTER 4. CONTINUING EDUCATION REQUIREMENT

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

STATEMENT OF BASIS

The statutory basis for the rules titled Rules of the Colorado Real Estate Commission is Part 1 of Title 12, Article 61, Colorado Revised Statutes, as amended by House Bill 19-1172 which becomes effective October 1, 2019.

STATEMENT OF PURPOSE

The purpose of this rule is to effectuate the legislative directive pursuant to section 24-4-103.3., C.R.S. (Senate Bill 14-063) and House Bill 19-1172 along with promulgating the necessary and appropriate rules in conformity with the state statutes of the real estate practice act.

SPECIFIC PURPOSE OF RULEMAKING

The specific purpose of this rulemaking is to add, modify and amend the continuing education requirement for real estate brokers as a result of the mandatory rule review required by section 24-4-103.3., C.R.S. The Division of Real Estate conducted a review of all of its rules relating to the real estate practice act to assess the continuing need for and the appropriateness and cost-effectiveness of its rules. The review also determined whether the rules should be continued in their current form, modified, or repealed. After consultation with stakeholders, the proposed rules have been re-organized, re-indexed, and correctly categorized. As a result, Chapter 4 sets forth the continuing education requirement for real estate brokers. This rulemaking also revises the statutory citations as a result of the passage of House Bill 19-1172.

PROPOSED NEW, AMENDED AND REPEALED RULES

Deleted material shown ~~struck through~~; new material is indicated by underline. Rules, or portions of rules, which are unaffected are reproduced. Readers are advised to obtain a copy of the complete rules of the Commission at www.dora.colorado.gov/dre.

Chapter 4: Continuing Education Requirement

4.1. Continuing Education Requirement

- A. Brokers must satisfy the continuing education requirement for a licensing cycle prior to applying to renew an Active License, to activate an Inactive License, or to Reinstatement an Expired License to Active status. The licensing cycles include: Anniversary Year, Calendar Year, and Transition Period.

- B. Pursuant to section 12-10-213(4), C.R.S., Brokers applying for renewal of a License which expires on December 31 of the year in which it was first issued are not subject to the continuing education requirement pursuant to section 12-10-213(1)(a), C.R.S.

4.2. Methods for Satisfying Continuing Education

- A. Brokers must satisfy the continuing education requirement for a licensing cycle through one (1) of the following options:
 - 1. Brokers may complete the twelve (12) credit hours of continuing education pursuant to section 12-10-213(1)(a), C.R.S. and as set forth in subsection A.1. of this Rule in annual 4-hour increments developed by the Commission, the “Annual Commission Update”. Brokers must also complete an additional twelve (12) credit hours of electives to meet the total 24-hour continuing education requirement during the licensing cycle in subject areas pursuant to section 12-10-213(3), C.R.S. and as set forth in Rule 4.4.B.1. A Broker may not take the same version of the Annual Commission Update more than once.
 - 2. During the Transition Period licensing cycle, Brokers may complete two (2) different versions of the Annual Commission Update for eight (8) credit hours of continuing education pursuant to section 12-10-213(1)(b), C.R.S. Brokers must also complete an additional sixteen (16) credit hours of electives to meet the total 24-hour continuing education requirement during the Transition Period in subject areas pursuant to section 12-10-213(3), C.R.S. and as set forth in Rule 4.4.B.1.
 - 3. Brokers may complete the Commission approved 24-hour “Broker Reactivation Course”. This option is only available to Brokers under one (1) of the following conditions:
 - a. The Broker is currently Active and did not use the Broker Reactivation Course to satisfy the continuing education requirement in the previous licensing cycle; or
 - b. The Broker is Inactive or Expired for an accumulative time period of up to thirty-six (36) months prior to activating an Inactive License or Reinstating an Expired License to Active status and unable to comply with the continuing education requirement as set forth in subsections A.1. or A.2. of this Rule.
 - 4. Pass the Colorado portion of the Real Estate Licensing Examination as set forth in Rule 2.2.A.2.
 - 5. Complete seventy-two (72) total hours of the educational requirements as set forth in Rules 2.1.A.2.b. and 2.1.A.2.c.

- B. If a Broker cannot satisfy the continuing education requirement as set forth in subsections A.1. through A.3. of this Rule, the Broker must comply with the continuing education requirement as set forth in subsections A.4. or A.5. of this Rule prior to activating an Inactive License or Reinstating an Expired License to Active status.

4.3. Annual Commission Update Course Standards

- A. Pursuant to section 12-10-213(2), C.R.S. and as set forth in Rule 4.2.A., the Annual Commission Update will be developed, presented by the Division, and furnished only to approved course providers. The course will be presented without any additional content by the course provider and/or instructor.
- B. All course providers must apply annually for approval to offer the Annual Commission Update as set forth in Rule 4.6.B., except that the course outline as set forth in Rule 4.6.B.1. and course exam as set forth in Rule 4.6.B.2. will be furnished by the Commission.
- C. Each Broker must complete the Annual Commission Update by achieving a passing score of seventy percent (70%) on a written or on-line course examination developed by the Commission. The Commission will provide an alternate examination for successive use by Brokers failing the end-of-course examination.

4.4. Standards for Continuing Education Courses

Courses approved for continuing education must meet the following standards:

A. Course Content

1. The course content must have been developed by persons qualified in the subject matter;
2. The content of the course must be current;
3. The course must maintain and improve a Broker's skill, knowledge, and competency in the real estate practice; and
4. The course must be at least one (1) hour increment in length, containing at least fifty (50) instructional minutes per one (1) hour increment.

B. Topics for Continuing Education Courses

1. Eligible Topics for Continuing Education Courses

Pursuant to section 12-10-213(3), C.R.S., courses approved for continuing education must include one (1) or more of the following topics:

- a. Real Estate Law;

- b. Property Exchanges;
- c. Real Estate Contracts;
- d. Real Estate Finance;
- e. Real Estate Appraisal;
- f. Real Estate Closing;
- g. Real Estate Ethics;
- h. Condominiums and Cooperatives;
- i. Real Estate Time-Sharing;
- j. Real Estate Marketing Principles;
- k. Real Estate Construction;
- l. Land Development;
- m. Real Estate Energy Concerns;
- n. Real Estate Geology;
- o. Water and Waste Management;
- p. Commercial Real Estate;
- q. Real Estate Securities and Syndications;
- r. Property Management;
- s. Real Estate Computer Principles;
- t. Brokerage Administration and Management;
- u. Agency; and
- v. Any other subject matter as approved by the Commission.

2. Ineligible Topics for Continuing Education Courses

The following types of courses will not qualify and be approved for continuing education:

- a. Sales or marketing meetings conducted in the general course of a real estate brokerage practice;
- b. Orientation, personal growth, self-improvement, self-promotion, or marketing sessions;
- c. Motivational meetings or seminars; or
- d. Examination preparation or exam technique courses.

C. Course Format

All continuing education courses may be offered and completed by classroom or Distance Learning.

4.5. Continuing Education Credit Requirements

- A. A maximum of eight (8) hours of credit may be earned per day.
- B. No course may be repeated for credit in the same calendar year.
- C. Hours in excess of twenty-four (24) may not be carried forward to satisfy a subsequent licensing cycle.
- D. Education stipulated to between a Broker and the Commission as part of a disciplinary action or alternative to disciplinary action will not be accepted to fulfill a Broker's continuing education requirement.
- E. All continuing education must be taken from course providers either approved by the Commission or exempt as set forth in Rule 4.6.A.2.
- F. Brokers must complete an entire course to receive any continuing education credit. Brokers will not be awarded partial credit for partial or incomplete attendance.
- G. Instructors may receive continuing education credit for teaching an approved course; however, credit will be awarded for only one (1) course taught per calendar year.
- H. The Commission will award two (2) hours of continuing education credit for Brokers who attend a Commission's public meeting in person under the following conditions:
 - 1. The meeting must be open to the public and must be a minimum of two (2) hours in length;
 - 2. The Broker must be present for at least a two (2) hour segment of the meeting to be eligible for elective credit; and

3. Elective credit will be awarded for a single Commission meeting per calendar year.

- I. Each Broker is responsible for securing from the course provider proof of course completion in the form of an affidavit, certificate, or official transcript of the course as set forth in Rule 4.7.A.
- J. Brokers must retain proof of continuing education completion certificates for four (4) years from the date of the Broker's most current renewal or, if newly licensed, from Initial Licensure.
- K. The act of submitting an application for renewal, activation, or Reinstatement of a License means that the Broker attests to compliance with the continuing education requirement pursuant to section 12-10-213, C.R.S. However, if a Broker did not comply with the continuing education requirement, the Broker must provide written notification to the Division prior to submitting an application for renewal, activation, or Reinstatement of a License.
- L. Upon written notification from the Commission, Brokers must provide proof of completion of the continuing education requirement in a manner that is acceptable to the Commission. Failure to provide said proof within the prescribed time set by the Commission in its notification will be grounds for disciplinary action unless the Commission has granted an extension.

4.6. Process for Course Approval

A. Course Providers

Continuing education must be taken from course providers either approved by the Commission or exempt as set forth in subsection A.2. of this Rule.

1. Approval of Course Providers

All course providers must receive approval from the Commission prior to any course offering except for the course providers specifically exempted as set forth in subsection A.2. of this Rule.

2. Course Providers Exempt from Commission Approval

The following course providers may provide course offerings for elective continuing education credit without Commission pre-approval only if the courses are within the topic areas pursuant to section 12-10-213(3), C.R.S. and as set forth in Rule 4.4.B.1. and comply with all other provisions of Chapter 4 of these Rules.

- a. Courses offered by accredited colleges, universities, community or junior colleges, public or parochial schools, or government agencies.

- b. Courses developed and offered by quasi-governmental agencies.
 - c. Courses approved by and taken in satisfaction of another occupational licensing authority's education requirements.
 - d. Courses in real property law by a provider approved by the Colorado Board of Continuing Legal and Judicial Education.
- B. Course providers must, as set forth in Chapter 4 of these Rules, submit an application form prescribed by the Commission, along with the following information at least thirty (30) days prior to the initial proposed course date(s):
- 1. Detailed course outline or syllabus, including the intended learning outcomes, the course objectives, and the approximate time allocated for each topic.
 - 2. A copy of the course exam(s) and instructor answer sheet, if applicable.
 - 3. Copy of the instructor's teaching credential; if none, a resume showing education and experience which evidence a mastery of the material to be presented.
 - 4. Upon Commission request, a copy of any advertising or promotional material used to announce the offering.
 - 5. Upon Commission request, a copy of any textbook, manual, audio or videotapes, or other instructional material.
 - 6. Course providers of continuing education offered through Distance Learning must submit evidence in a form prescribed by the Commission that the method of delivery and course structure is consistent with acceptable educational principles assuring that the desired learning objectives are met. The Commission will approve methods of delivery certified by the Association of Real Estate License Law Officials (ARELLO), or by a substantially equivalent authority and method.
 - 7. Course approval certification will be for a period of three (3) years, except that an annual or one-time seminar or conference offering may be approved for a specific date or dates.

4.7. Course Provider Requirements

- A. Course providers must provide to each student who successfully completes an approved course for continuing education credit with an affidavit, certificate, or official transcript, which must include the following information:
- 1. Name of the course provider;
 - 2. Course title, which must describe the topical content;

3. Course number;
 4. Number of continuing education hours/credits;
 5. Course date(s);
 6. Name of the student;
 7. Authentication by the course provider; and
 8. Course approval number as issued by the Division, if applicable.
- B. A course provider may not waive, excuse completion of, or award partial credit for the full number of course hours.
- C. Each course provider must retain copies of course outlines or syllabi and complete records of attendance for a period of four (4) years from the date of the course and provide the records to the Commission upon request.
- D. By offering continuing education, each course provider agrees to comply with relevant Commission statutes and these Rules and to permit Commission audit of said courses at any time and at no cost. Failure to comply with the standards and requirements as set forth in Chapter 4 of these Rules may result in the invalidation of the course provider, instructor, and/or the course.

A hearing on the above subject matter will be held on Monday, August 5, 2019 at the Colorado Division of Real Estate, 1560 Broadway, Suite 110-D, Denver, Colorado 80202 beginning at 9:00 a.m.

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

Please be advised that the rule being considered is subject to further changes and modifications after public comment and formal hearing.