

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 54.1-2103 and 54.1-2111.1 of the Code of Virginia, relating to Department*
 3 *of Professional and Occupational Regulation; real estate brokers, salespersons, and rental location*
 4 *agents; exemptions.*

5 [H 2557]

6 Approved

7 **Be it enacted by the General Assembly of Virginia:**8 **1. That §§ 54.1-2103 and 54.1-2111.1 of the Code of Virginia are amended and reenacted as follows:**9 **§ 54.1-2103. Exemptions from chapter.**

10 A. The provisions of this chapter shall not apply to:

11 1. Any person, partnership, association, corporation, entity, or their regular employees, who as owner or
 12 lessor perform any of the acts enumerated in § 54.1-2100 with reference to property owned or leased by them,
 13 where the acts are performed in the regular course of or incident to the management of the property and the
 14 investment therein. For property governed by the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.),
 15 the term "owner" for purposes of this subdivision shall include affiliated entities, provided that (i) the owner
 16 has a controlling interest in the affiliated entity or (ii) the affiliated entity and the owner have a common
 17 parent company;

18 2. Any person acting without compensation as attorney-in-fact under a power of attorney issued by a
 19 property owner solely for the purpose of authorizing the final performance required of such owner under a
 20 contract for the sale, lease, purchase, or exchange of real estate;

21 3. Service rendered by an attorney-at-law in the performance of his duties as such;

22 4. A person acting as a receiver, trustee in bankruptcy, administrator, or executor, or any person selling
 23 real estate under order of any court;

24 5. A trustee acting under a trust agreement, deed of trust, or will, or the regular salaried employees
 25 thereof;

26 6. Any corporation managing rental housing when the officers, directors, and members in the ownership
 27 corporation and the management corporation are the same and the management corporation manages no other
 28 property for other persons, partnerships, associations, or corporations;

29 7. Any existing tenant of a residential dwelling unit who refers a prospective tenant to the owner of the
 30 unit or to the owner's duly authorized agent or employee and for the referral receives, or is offered, a referral
 31 fee from the owner, agent, or employee;

32 8. Any auctioneer licensed in accordance with Chapter 6 (§ 54.1-600 et seq.) ~~of this title~~ selling real estate
 33 at public auction when employed for such purpose by the owner of the real estate and provided the bidding at
 34 such auction is held open for no longer than ~~forty-eight~~ 48 hours. An auctioneer shall not advertise that he is
 35 authorized to sell real estate. An auctioneer may advertise for sale at public auction any real estate when
 36 employed to do so as herein provided, and may advertise that he is authorized to auction real estate at public
 37 auction;

38 9. [Expired.]

39 10. Any person who is licensed and is in good standing as a real estate broker or salesperson in another
 40 state, and who assists a prospective purchaser, tenant, optionee, or licensee located in another state to
 41 purchase, lease, option, or license an interest in commercial real estate, as defined in § 55.1-1100, in the
 42 Commonwealth. Such real estate licensee from another state may be compensated by a real estate broker in
 43 the Commonwealth. Nothing in this subdivision shall be construed to permit any person not licensed and in
 44 good standing as a real estate broker or salesperson in the Commonwealth to otherwise act as a real estate
 45 broker or salesperson under this chapter.

46 B. The provisions of this chapter shall not prohibit the selling of real estate (i) by an attorney-at-law in the
 47 performance of his duties as such, (ii) by a receiver, trustee in bankruptcy, administrator ~~or~~, executor, ~~a~~ or
 48 special commissioner, or any person selling real estate under order of court, or (iii) by a trustee acting under
 49 the trust agreement, deed of trust, or will, or the regular salaried employees thereof.

50 C. The provisions of this chapter shall not apply to any ~~salaried~~ person employed by a licensed real estate
 51 broker for and on behalf of the owner of any real estate or the improvements thereon ~~which~~ *that* the licensed
 52 broker has contracted to manage for the owner if the actions of such ~~salaried~~ employee are limited to (i)
 53 exhibiting residential units on such real estate to prospective tenants, if the employee is employed on the
 54 premises of such real estate; (ii) providing prospective tenants with factual information about the ~~lease~~ *rental*
 55 of residential real estate; (iii) accepting applications for ~~lease~~ *the rental* of such real estate; ~~and~~ (iv) accepting
 56 *and signing broker-approved rental agreements, state or federal required disclosures, and any documents*

57 *required for compliance with Chapter 5.1 (§ 36-96.1 et seq.) of Title 36 related to such rental transaction;*
58 *and (v) accepting security deposits ~~and rentals~~, periodic rent, and other payments as contracted for in the*
59 *rental agreement for such real estate. Such deposits and ~~rentals~~ rent shall be made payable to the owner or*
60 *the broker employed by such owner. The ~~salaried~~ employee shall not negotiate the amounts of such security*
61 *deposits ~~or rentals~~, periodic rent, or other payments contracted for in the rental agreement and shall not*
62 *negotiate any ~~leases~~ rental agreements on behalf of such owner or broker.*

63 D. A licensee of the Board shall comply with the Board's regulations, notwithstanding the fact that the
64 licensee would be otherwise exempt from licensure under subsection A. Nothing in this subsection shall be
65 construed to require a person to be licensed in accordance with this chapter if he would be otherwise exempt
66 from such licensure.

67 E. An attorney-at-law referring a client to a licensee shall not be entitled to receive any compensation
68 from a listing firm or offered by a common source information company to cooperating brokers, unless the
69 attorney is also licensed under this chapter as a real estate broker or salesperson.

70 **§ 54.1-2111.1. Voluntary compliance program; real estate brokers.**

71 A. The Board shall promulgate regulations to allow the audit of the practices, policies, and procedures of a
72 real estate broker licensed by the Board, either through a third party retained by the real estate broker or
73 through a self-audit, and if the broker is determined by such audit to not be in compliance with the provisions
74 of this chapter or applicable regulations of the Board, to allow for the broker to enter into a voluntary
75 compliance program to bring the broker's practices, policies, and procedures into compliance with applicable
76 laws and regulations. The broker shall notify the Board of the discovery of any noncompliance within 30
77 days after discovery and shall submit a written statement with a plan to bring the practices, policies, and
78 procedures into voluntary compliance, which completion of such voluntary compliance shall not exceed a
79 period of 90 days from the date that the plan is submitted to the Board.

80 B. Certification by the broker or auditor of such broker shall constitute immunity from an enforcement
81 action under this chapter or under the applicable regulations of the Board.

82 C. The provisions of this section do not apply if the noncompliance by the broker was intentional or a
83 result of gross negligence of the broker, *including any actions by an unlicensed employee negotiating the*
84 *provisions of a rental agreement as prohibited under subsection C of § 54.1-2103.*