

**RHODE ISLAND GOVERNMENT REGISTER  
PUBLIC NOTICE OF PROPOSED RULEMAKING**

**DEPARTMENT OF BUSINESS REGULATION (INCLUDES THE OFFICE OF THE  
HEALTH INSURANCE COMMISSIONER)**

**Title of Rule:** Real Estate Brokers and Salespersons

**Rule Identifier:** 230-RICR-30-20-2

**Rulemaking Action:** Proposed Amendment

**Important Dates:**

Date of Public Notice: 08/22/2019

End of Public Comment: 09/21/2019

**Authority for this Rulemaking:**

R.I. Gen. Laws §§ 5-20.5-6, 5-20.5-12, 5-20.5-19, 5-20.5-20, 5-20.5-26(a)(1)(v), 5-20.6-12, and 42-14-17.

**Summary of Rulemaking Action:**

This regulation sets forth the licensing and conduct requirements for real estate brokers and salespersons in Rhode Island. These amendments were prompted by a rulemaking request regarding the confusing and repetitive language in § 2.21(F), (G) and (H). After review with the Real Estate Commission, the Department has proposed the following amendments:

- Updated statutory references throughout in accordance with current RICR styles.
- § 2.9 – Modified the renewal cycle for new licensees starting in 2020 so that renewal will occur every two years on the anniversary date of initial licensure. Currently, all licenses expire on April 30 in even numbered years. This amendment will improve processing time by staff and avoid having to prorate licensing fees for new applicants. Paragraph A was added for clarity and to reference the applicable statutory provisions. Paragraph B was deleted because it was inconsistent with the statutory requirements for renewal in § 5-20.5-11.
- § 2.12(A) – Corrected an erroneous citation.
- § 2.21(F) and (G) – The repetitive content in paragraphs (F) and (G) was streamlined into a single new paragraph (F). We added an additional circumstance requiring disclosure if a licensee is representing a "household member" in a transaction. This amendment recognizes the diverse types of relationships that exist beyond traditional family/marriage relationships and that persons in the same household may have shared financial interests. Notably, the original definition of

family member in paragraph (F) was taken from the Rhode Island Code of Ethics Nepotism regulation, which requires recusal for matters involving a public official or employee's family member and household member. Therefore, the amendment here uses the Code of Ethics' definition of household member for consistency. See 520-RICR-00-00-1, § 1.3.1(A).

- § 2.21(H) – Deleted this paragraph. The provision was confusing for licensees because it was inconsistent with penalties set forth in R.I. Gen. Laws § 5-20.5-14, which apply to any statutory or regulatory violation by a licensee.
- § 2.24(I) – Deleted a phrase referring to branch offices which was inadvertently left in after all references to branch offices were deleted from this regulation in 2009.

**Additional Information and Comments:**

All interested parties are invited to request additional information or submit written or oral comments concerning the proposed amendment until September 21, 2019 by contacting the appropriate party at the address listed below:

William DeLuca  
Department of Business Regulation (includes the Office of the Health Insurance Commissioner)  
1511 Pontiac Ave  
Building 69-1  
Cranston, RI 02920  
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In accordance with R.I. Gen. Laws § 42-35-2.8, an oral hearing will be granted if requested by twenty-five (25) persons, by an agency or by an association having at least twenty-five (25) members. A request for an oral hearing must be made within thirty (30) days of this notice.

**Regulatory Analysis Summary and Supporting Documentation:**

Any impact on small business is positive. Overall, these changes benefit licensees by streamlining content, correcting a few errors and adding clarity. The changes to § 2.9 simplify the licensing cycle for the benefit of staff because staggering renewals leads to a more even workflow and improves processing time. The renewal cycle changes also benefit new licensees by simplifying application instructions because there will be no longer a need for prorating fees depending on when an applicant applies during in the existing 2-year licensing cycle. The renewal cycle changes have no impact on existing licensees. The changes to § 2.21 add clarity for licensees by simplifying the language and removing a confusing and unenforced penalty. The changes to § 2.21 also benefit the public by requiring a licensee to disclose any interest they may have in the transaction, including a household member. There are no costs to licensees as a result of these changes.

In the development of the proposed amendment consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

For full regulatory analysis or supporting documentation see agency contact person above.