

**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: 11/05/2020

End of Public Comment: 12/05/2020

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).

Summary of Rulemaking Action:

This regulation sets forth the licensing and conduct requirements for real estate brokers and salespersons in Rhode Island. Currently, in order to become licensed as a real estate salesperson or broker in Rhode Island, everyone was required to take an in-person pre-licensing classes pursuant to R.I. Gen. Laws § 5-20.5-4(b). The salespersons pre-licensing course is 45 hours and the brokers pre-licensing course is 90 hours. As a result of the Covid-19 pandemic, it became impossible for approved Real Estate Schools to offer pre-licensing courses in person. In response to this problem, the Department temporarily granted permission for all pre-licensing courses to be remotely delivered through December 31, 2020. Accordingly, DBR has decided to amend its regulation to permanently allow for remotely delivered pre-licensing courses, provided certain standards are met by the course provider.

These amendments also add some clarity relative to continuing education ("CE") requirements for the biennial renewal of real estate licenses. DBR has allowed for remotely delivered instruction of CE courses but that was not included in the regulation. The amendments include specific language allowing for remotely-delivered CE instruction and clarify the distinctions between remotely delivered pre-licensing instruction and remotely delivered CE instruction.

The proposed amendments are as follows:

§ 2.2(A)(3) – Add a definition of "classroom," the term used in RI Gen. Laws § 5-20.5-4 to describe the type of instruction required for real estate pre-licensing courses. "Classroom" has been defined to include both in person and a live-virtual classroom.

§ 2.7 – Add "Pre-Licensing" to the title of the section for clarity. Real Estate has both pre-licensing and continuing education requirements. This helps the reader distinguish between the different types of requirements.

§ 2.7(D) – Add cross reference to new definition of "classroom." Set forth requirements for both in-person and live-virtual classroom instruction. Live-virtual classroom courses have extra requirements to ensure interaction between instructor and students.

§ 2.29(G)(6) – Amend current course approval requirements to reflect existing practices and to cross reference with new pre-licensing live-virtual classroom requirements.

§ 2.30(G) – Add language to codify existing DBR policy which allows for real estate continuing education (CE) courses to be taken online. This also helps to distinguish CE instruction from pre-licensing instruction.

Additional Information and Comments:

All interested parties are invited to request additional information or submit written or oral comments concerning the proposed amendment until December 5, 2020 by contacting the appropriate party at the address listed below:

Amy Stewart
Department of Business Regulation (includes the Office of the Health Insurance Commissioner)
1511 Pontiac Ave, Bldg. 68-1
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. During the Covid-19 pandemic, it has become necessary for students of all ages to complete educational courses through online instruction. Even prior to the pandemic, many professions allowed for continuing education credits to be received through online courses. Current law prevented this for real estate pre-licensing education. These amendments will allow prospective real estate licensees to complete the educational requirement for salespersons and brokers licenses through remotely delivered instruction in a "live-virtual classroom," based on requirements to ensure that the educational experience provides a similar level of interaction and engagement as in person instruction.

When discussing the real estate licensing educational requirements, it can be easy to get confused between pre-licensing requirements and continuing education requirements. These amendments clarify those distinctions for the benefit of future and current licensees. In addition, these amendments codify existing DBR policy which has allowed for remotely-delivered continuing education courses.

These amendments benefit future real estate licensees, current licensed salespersons (seeking upgrade to a broker license) and real estate schools interested in offering real estate pre-licensing courses through remotely-delivered "live virtual classroom." These amendments add flexibility to the licensing process that helps the industry adapt to the challenges of a public health crisis that has limited and prohibited in person classroom instruction.

DBR has already temporarily allowed real estate schools to provide pre-licensing courses through video conferencing provided that each school submitted a plan to ensure interaction between instructor and students and security procedures to verify student identity during each course session. As a result, the schools have already invested in most of the infrastructure to offer these types of remote courses. Furthermore, the expenditures for virtual learning allow each school to remain competitive.

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.