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Exempt Action: Final Regulation Agency Background Document

Agency name	Real Estate Board
Virginia Administrative Code (VAC) Chapter citation(s)	18VAC135-20
VAC Chapter title(s)	Virginia Real Estate Board Licensing Regulations
Action title	HB 1237 and SB 437 Amendment
Final agency action date	May 16, 2024
Date this document prepared	July 19, 2024

This information is required for executive branch review pursuant to Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19. In addition, this information is required by the Virginia Registrar of Regulations pursuant to the Virginia Register Act (§ 2.2-4100 et seq. of the Code of Virginia). Regulations must conform to the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

This action amends the Virginia Real Estate Board Licensing Regulations to conform to changes resulting from the enactment of Chapters 327 and 352 of the 2024 Acts of Assembly.

The legislation defines the terms “place of business” and “branch office” in Chapter 21 of Title 54.1 of the Code of Virginia. The legislation requires every principal broker to have readily available to the public in the broker’s primary place of business the firm license, principal broker license, and the license of every salesperson and broker active with the firm and requires each branch office to have readily available to the public the branch office license and a roster of every salesperson or broker assigned to that branch office.

The proposed amendments conform applicable provisions of the regulation to the legislation. Substantive amendments include:

1. Section 18VAC135-20-10 is revised to incorporate by reference the new statutory definitions of “place of business” and “branch office.”
2. The provisions in 18VAC135-20-20 regarding licensure for real estate brokerage branch offices are revised to provide that a real estate broker obtain a branch office license for each additional place of business other than the primary place of business noted on the firm’s license application.
3. Section 18VAC135-20-20 is also revised to provide for exemptions from the branch office licensure requirement.
4. Section 18VAC135-20-160 is revised to remove provisions that provided a meaning for the term “place of business.” The meaning of the term “place of business” is defined in § 54.1-2100 of the Code of Virginia.
5. Section 18VAC135-20-160 is revised to provide that each branch office have readily available to the public the branch office license and a roster of every salesperson or broker assigned to that branch office.

This action is exempt from the Administrative Process Act under § 2.2-4006(A)(4)(a) of the Code of Virginia, which states, in part:

A. The following agency actions otherwise subject to this chapter and § 2.2-4103 of the Virginia Register Act shall be exempted from the operation of this article:

4. Regulations that are:

a. Necessary to conform to changes in Virginia statutory law or the appropriation act where no agency discretion is involved.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, “mandate” has the same meaning as defined in the ORM procedures, “a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part.”

In April 2024, the Governor approved Chapters 327 (HB 1237) and 352 (SB 437) of the 2024 Acts of Assembly, which defines the terms “place of business” and “branch office” to Chapter 21 of Title 54.1 of the Code of Virginia. The legislation requires every principal broker to have readily available to the public in the broker’s primary place of business the firm license, principal broker license, and the license of every salesperson and broker active with the firm and requires each branch office to have readily available to the public the branch office license and a roster of every salesperson or broker assigned to that branch office. The legislation became effective on July 1, 2024.

The purpose of this regulatory change is to implement and comply with changes to the Code of Virginia resulting from the passage of HB 1237 and SB 437 during the 2024 General Assembly Session.

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

On May 16, 2024, the Real Estate Board adopted the amendments to the Virginia Real Estate Board Licensing Regulations.