

By: Senator(s) Blackwell

To: Business and Financial  
Institutions

## SENATE BILL NO. 2497

1       AN ACT TO AMEND SECTION 73-35-10, MISSISSIPPI CODE OF 1972,  
2 TO ALLOW THE REAL ESTATE COMMISSION TO EXERCISE DISCRETION WHEN  
3 ISSUING LICENSES TO INDIVIDUALS WHO WERE CONVICTED OF A CRIME OF  
4 MORAL TURPITUDE MORE THAN FIVE YEARS PRIOR TO APPLYING FOR A  
5 LICENSE; TO AMEND SECTION 73-35-21, MISSISSIPPI CODE OF 1972, TO  
6 CONFORM; AND FOR RELATED PURPOSES.

7       BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8       **SECTION 1.** Section 73-35-10, Mississippi Code of 1972, is  
9 amended as follows:

10       73-35-10. (1) (a) To qualify for a Mississippi real estate  
11 broker's license \* \* \*, a Mississippi resident license as a real  
12 estate salesperson or a nonresident's license in Mississippi, an  
13 applicant must have successfully been cleared for licensure  
14 through an investigation that shall consist of a determination  
15 that the applicant does not possess a background which calls into  
16 question public trust, as set forth below in subsection (2), and  
17 verification that the prospective licensee is not guilty of or in  
18 violation of any statutory ground for the commission, in its  
19 discretion, to issue a denial of licensure as set forth in Section  
20 73-35-21.



(b) If an applicant possesses a background that calls into question public trust, or a violation of statutory grounds set forth in Section 73-35-21, the commission shall issue a denial, unless, the commission determines that:

(i) At least five (5) years have passed from the date of expiration of probation, parole or conviction, or the date of release from incarceration, whichever is later; and

(ii) The applicant has paid all restitution, fees and fines associated with the violation.

This provision shall apply to all felonies and any  
misdemeanors that involve the theft of money, services, property  
or crimes of moral turpitude. If the commission finds that the  
applicant has satisfied the requirements of subparagraphs (i) and  
(ii) of this paragraph, and that the applicant has been  
effectively rehabilitated, then the commission may, in its  
discretion, grant an issuance or reissuance of the requested  
license. An applicant who appears before the commission  
requesting licensure and who is denied, will not be eligible for  
reconsideration until six (6) months from the date the denial was  
issued by the commission.

46 renewal of any real estate license shall undergo a  
47 fingerprint-based criminal history records check of the  
48 Mississippi central criminal database and the Federal Bureau of  
49 Investigation criminal history database. Each applicant shall  
50 submit a full set of the applicant's fingerprints in a form and  
51 manner prescribed by the commission, which shall be forwarded to  
52 the Mississippi Department of Public Safety (department) and the  
53 Federal Bureau of Investigation Identification Division for this  
54 purpose.

55 (d) If within the past ten (10) years, an applicant has  
56 been convicted of or pled guilty to or nolo contendere to any  
57 felony or a misdemeanor involving the theft of services, money,  
58 property, crimes of moral turpitude or had any disciplinary  
59 sanctions imposed on them by any local, state or federal  
60 occupational licensing body, the applicant shall:

61 (i) Complete and submit a form prescribed by the  
62 commission containing information relevant to the conviction, plea  
63 or disciplinary sanction;

64 (ii) Submit certified copies of the court  
65 disposition or other documents acceptable to the commission for  
66 each conviction, plea of guilty or nolo contendere or a copy of  
67 the order or other document which shows the disciplinary action  
68 taken by the local, state or federal agency and the factual and  
69 legal basis for the action, whichever is applicable;



(iii) Exercise due diligence to provide any missing and/or necessary information that the commission may need or request in order to have a clear understanding of the charges against the applicant and the court's disposition of the case against the applicant;

(iv) Appear before the commission for a hearing following the same procedures as outlined in Section 73-35-23, to determine if the conviction, plea or disciplinary sanction constitutes grounds for denial of a license, and if so, whether or not the applicant may move forward with the licensing process.

93                           (\* \* \*f) The commission shall provide to the  
94 department the fingerprints of the applicant, any additional



95 information that may be required by the department, and a form  
96 signed by the applicant consenting to the check of the criminal  
97 records and to the use of the fingerprints and other identifying  
98 information required by the state or national repositories.

99 ( \* \* \*g) The commission shall charge and collect from  
100 the applicant, in addition to all other applicable fees and costs,  
101 such amount as may be incurred by the commission in requesting and  
102 obtaining state and national criminal history records information  
103 on the applicant.

104 (2) (a) The commission must ensure that applicants for real  
105 estate licenses do not possess a background that could call into  
106 question public trust. An applicant found by the commission to  
107 possess a background \* \* \* that calls into question the  
108 applicant's ability to maintain public trust \* \* \* may, in the  
109 commission's discretion, not be issued a real estate license. If  
110 the applicant possesses a background that could call into question  
111 public trust, the commission shall make a determination as to  
112 whether or not the applicant has been properly rehabilitated using  
113 the considerations outlined in subsection (1) of this section.

114 (b) The commission shall not issue a real estate  
115 license if:

116 (i) The applicant has had a real estate license  
117 revoked in any governmental jurisdiction within the five-year  
118 period immediately preceding the date of the application;



119 (ii) The applicant has been convicted of, or pled  
120 guilty or nolo contendere to, a felony in a domestic or foreign  
121 court:

128 (c) The commission shall adopt rules and regulations  
129 necessary to implement, administer and enforce the provisions of  
130 this section.

131 (d) The requirement of a criminal background check  
132 provided in this section shall not apply to persons who have held  
133 a broker's or salesperson's license in this state for at least  
134 twenty-five (25) years and who are older than seventy (70) years  
135 of age.

136 **SECTION 2.** Section 73-35-21, Mississippi Code of 1972, is  
137 amended as follows:

138        73-35-21. (1) Except as otherwise provided in this section,  
139        the commission may, upon its own motion and shall upon the  
140        verified complaint in writing of any person, hold a hearing  
141        pursuant to Section 73-35-23 for the refusal of license or for the  
142        suspension or revocation of a license previously issued, or for  
143        such other action as the commission deems appropriate. The

144 commission shall have full power to refuse a license for cause or  
145 to revoke or suspend a license where it has been obtained by false  
146 or fraudulent representation, or where the licensee in performing  
147 or attempting to perform any of the acts mentioned herein, is  
148 deemed to be guilty of:

149 (a) Making any substantial misrepresentation in  
150 connection with a real estate transaction;

151 (b) Making any false promises of a character likely to  
152 influence, persuade or induce;

153 (c) Pursuing a continued and flagrant course of  
154 misrepresentation or making false promises through agents or  
155 salespersons or any medium of advertising or otherwise;

156 (d) Any misleading or untruthful advertising;

157 (e) Acting for more than one (1) party in a transaction  
158 or receiving compensation from more than one (1) party in a  
159 transaction, or both, without the knowledge of all parties for  
160 whom he or she acts;

161 (f) Failing, within a reasonable time, to account for  
162 or to remit any monies coming into his or her possession which  
163 belong to others, or commingling of monies belonging to others  
164 with his own funds. Every responsible broker procuring the  
165 execution of an earnest money contract or option or other contract  
166 who shall take or receive any cash or checks shall deposit, within  
167 a reasonable period of time, the sum or sums so received in a  
168 trust or escrow account in a bank or trust company pending the



169 consummation or termination of the transaction. "Reasonable time"  
170 in this context means by the close of business of the next banking  
171 day;

172 (g) Entering a guilty plea or conviction in a court of  
173 competent jurisdiction of this state, or any other state or the  
174 United States of any felony within the five (5) years prior to  
175 filings the licensing application;

176 (h) Displaying a "for sale" or "for rent" sign on any  
177 property without the owner's consent;

178 (i) Failing to furnish voluntarily, at the time of  
179 signing, copies of all listings, contracts and agreements to all  
180 parties executing the same;

181 (j) Paying any rebate, profit or commission to any  
182 person other than a real estate broker or salesperson licensed  
183 under the provisions of this chapter;

184 (k) Inducing any party to a contract, sale or lease to  
185 break such contract for the purpose of substituting in lieu  
186 thereof a new contract, where such substitution is motivated by  
187 the personal gain of the licensee;

188 (l) Accepting a commission or valuable consideration as  
189 a real estate salesperson for the performance of any of the acts  
190 specified in this chapter from any person, except his or her  
191 employer who must be a licensed real estate broker;

192 (m) Failing to successfully pass the commission's  
193 background investigation for licensure or renewal as provided in



194 Section 73-35-10, or if the background check reveals a conviction  
195 entered more than five (5) years ago, and the commission  
196 determines, after providing the applicant with a hearing, that the  
197 applicant's conviction is of the nature that makes an issuance or  
198 reissuances of a license against public interest; or

199 (n) Any act or conduct, whether of the same or a  
200 different character than hereinabove specified, which constitutes  
201 or demonstrates bad faith, incompetency or untrustworthiness, or  
202 dishonest, fraudulent or improper dealing. However, simple  
203 contact and/or communication with any mortgage broker or lender by  
204 a real estate licensee about any professional, including, but not  
205 limited to, an appraiser, home inspector, contractor, and/or  
206 attorney regarding a listing and/or a prospective or pending  
207 contract for the lease, sale and/or purchase of real estate shall  
208 not constitute conduct in violation of this section.

209 (2) No real estate broker shall practice law or give legal  
210 advice directly or indirectly unless said broker \* \* \* is a duly  
211 licensed attorney under the laws of this state. He or she shall  
212 not act as a public conveyancer nor give advice or opinions as to  
213 the legal effect of instruments nor give opinions concerning the  
214 validity of title to real estate; nor shall he or she prevent or  
215 discourage any party to a real estate transaction from employing  
216 the services of an attorney; nor shall a broker undertake to  
217 prepare documents fixing and defining the legal rights of parties  
218 to a transaction. However, when acting as a broker, he or she may



219 use an earnest money contract form. A real estate broker shall  
220 not participate in attorney's fees, unless the broker is a duly  
221 licensed attorney under the laws of this state and performs legal  
222 services in addition to brokerage services.

223 (3) It is expressly provided that it is not the intent and  
224 purpose of the Mississippi Legislature to prevent a license from  
225 being issued to any person who is found to be of good reputation,  
226 is able to give bond, and who has lived in the State of  
227 Mississippi for the required period or is otherwise qualified  
228 under this chapter.

229 (4) In addition to the reasons specified in subsection (1)  
230 of this section, the commission shall be authorized to suspend the  
231 license of any licensee for being out of compliance with an order  
232 for support, as defined in Section 93-11-153. The procedure for  
233 suspension of a license for being out of compliance with an order  
234 for support, and the procedure for the reissuance or reinstatement  
235 of a license suspended for that purpose, and the payment of any  
236 fees for the reissuance or reinstatement of a license suspended  
237 for that purpose, shall be governed by Section 93-11-157 or  
238 93-11-163, as the case may be. If there is any conflict between  
239 any provision of Section 93-11-157 or 93-11-163 and any provision  
240 of this chapter, the provisions of Section 93-11-157 or 93-11-163,  
241 as the case may be, shall control.

242 (5) Nothing in this chapter shall prevent an associate  
243 broker or salesperson from owning any lawfully constituted



244 business organization, including, but not limited to, a  
245 corporation, limited liability company or limited liability  
246 partnership, for the purpose of receiving payments contemplated in  
247 this chapter. The business organization shall not be required to  
248 be licensed under this chapter and shall not engage in any other  
249 activity requiring a real estate license.

250 (6) The Mississippi Real Estate Commission shall not  
251 promulgate any rule or regulation, nor make any administrative or  
252 other interpretation, whereby any real estate licensee may be held  
253 responsible or subject to discipline or other actions by the  
254 commission relating to the information required to be disclosed by  
255 Sections 89-1-501 through 89-1-523 or delivery of information  
256 required to be disclosed by Sections 89-1-501 through 89-1-523.

257 (7) The Mississippi Real Estate Commission shall not  
258 promulgate nor enforce any rule or regulation, nor make any  
259 administrative or other interpretation, whereby any real estate  
260 licensee may be required to include in any agreement or otherwise  
261 be required to agree to any requirement regarding unilateral  
262 termination by a buyer-agency agreement.

263 **SECTION 3.** This act shall take effect and be in force from  
264 and after July 1, 2025.

