

Title 605 – Oklahoma Real Estate Commission  
CHAPTER 10. Requirements, Standards and Procedures

**RULE IMPACT STATEMENT**

Pursuant to the Administrative Procedures Act, Section 303(D) of Title 75 of the Oklahoma Statutes, the Oklahoma Real Estate Commission hereby submits the following Rule Impact Statement for PERMANENT rule proposals for OAC Title 605, Oklahoma Real Estate Commission, Chapter 10, Requirements, Standards and Procedures.

**Brief Description of the Purpose of the Proposed Rules:**

The purpose of the Oklahoma Real Estate Commission's proposed permanent rules is to: (1) provide clarity to definitions involving various business entities, (2) remove fees and processes regarding returned checks, (3) remove unnecessary language regarding effective dates, (4) simplify the type of entities that may apply to become an education provider, (5) remove redundant or unnecessary rules, (6) clarify that licensees may elect to take approved hybrid courses, (7) clarify that an application for licensure is valid for one (1) year, (8) remove unnecessary language regarding purpose, objectives and goals of education, (9) modify the pre-license, post-license, and continuing education approval and renewal requirements, (10) modify the pre-license, post-license and continuing education instructor approval and renewal requirements, (11) modify the education provider approval and renewal requirements, (12) modify the approval and renewal requirements for proprietor brokers, (13) remove unnecessary processes for national criminal history checks, (14) remove unnecessary language regarding effective dates, (15) remove unnecessary group fees, (16) expand documents available for request, (17) simplify processes for business entity compliance, (18) clarify the registration of entities created for the sole purpose of receiving commissions, (19) increase approval requirements for non-Oklahoma residents brokers, simplify process for applicants moving residency to Oklahoma, (20) clarify the denial process for names registered for the purpose of advertising, (21) clarify the process for entities to maintain or close brokerage at broker death or cessation, (22) simplify the process to transfer an associate, (23) clarify the requirements of trust accounts opened in the name of the brokerage, (24) clarify the types of services or products that require disclosure of familial or beneficial interest, (25) remove unnecessary language related to effective dates, (26) clarify investigative and formal hearing process, and (27) remove notary requirements for documents related to the complaint process.

**Description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the cost of the proposed rule, and any information on cost impacts received by the agency from any private or public entities:**

Real estate applicants will have improved education and licensure access and decreased barriers to entry through improved real estate pre-licensure education and standards. Brokerages, brokers, and associates will have increased clarity regarding formal hearing procedures, disclosure procedures, and increased simplicity review compliance within the Oklahoma Real Estate License Code and Rules. The general public will be better protected from financial harm due to increased

and improved real estate education required by real estate licensees. No information on cost impact has been received by the agency from private or public entities to date.

**Description of the classes of persons who will benefit from the proposed rule:**

All applicants for licensure will benefit from having more transparency and improved real estate pre-licensure education and decreased barriers to obtain a real estate license. All licensees will benefit from increased clarity and transparency with respect formal hearing procedures and disclosure procedures. All licensees and the general public will benefit from increasing the requirements for non-residents to obtain a real estate license. The general public will be better protected from financial harm due to increased and improved real estate education required by real estate licensees and real estate applicants.

**Description of the probable economic impact of the proposed rule upon affected classes of persons or political subdivisions, including a listing for all fee changes and, whenever possible, separate justification for each fee change:**

The proposed rule is not expected to have a significant economic impact on any affected classes of persons or political subdivisions. The proposed rule may open economic opportunities to real estate education providers by increasing the required continuing education for all real estate licensees. The modification to fees proposed are reasonable as they are slight fee increases for the agency to recoup the cost of review and standard setting for real estate education providers, courses, and instructors. Additionally, the Commission is removing the returned check fee and group rate fees entirely.

The returned check fee of \$35.00 is being removed entirely.

The approval of a pre-license course is being increased to \$150.00.

The renewal of a pre-license course is being increased to \$100.00 for every 12 months.

The pre-license course instructor approval is being increased to \$200.00.

The pre-license course instructor renewal fee is being increased to \$100.00 for every three years.

The post-license course instructor approval is being increased to \$200.00.

The post-license course instructor approval is being increased to \$75.00.

The renewal of a post-license course is being increased to \$50.00 for every 12 months.

The approval of a continuing education course is being increased to \$40.00.

The renewal of a continuing education course is being increased to \$40.00 for every two years.

The continuing education course instructor approval is being increased to \$75.00.

The approval of an education provider is being increased to \$500.00.

The renewal of an education provider is being increased to \$250.00 for every three years.

The issuance and renewal fees for Broker Proprietors is being increased to \$400.00.

The education and recovery fund fee is being increased to \$20.00.

The education and recovery fund fee for Provisional Sales Associates is being increased to \$15.00.

The group rate change fee of \$750.00 is being removed entirely.

The request for a certification of license history is being increased to \$25.00.

**The probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and anticipated effect on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency:**

The proposed rules under OAC 605:10 are not expected to provide a substantial increase or decrease in agency revenue, as the increase of education related fees are being implemented as a cost-recovery method for improving real estate education for real estate license applicants and real estate licensees.

**A determination of whether implementation of the proposed rule will have an economic impact on any political subdivision or require their cooperation in implementing or enforcing the rule:**

As previously stated, the proposed rules under OAC 605:10 are not expected to have a significant economic impact on any political subdivisions.

**A determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act:**

No adverse economic effect is anticipated on small businesses.

**An explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules:**

The Real Estate Commission has implemented an online application and approval system for real estate education providers to deliver documentation online and mitigate the cost of review and standard setting for real estate providers, courses, and instructors.

**A determination of the effect of the proposed rule on the public health, safety and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk:**

The proposed rule changes will reduce significant risks to the public as the public will be better protected from financial harm due to increased and improved real estate education required by real estate licensees and real estate applicants. The proposed rules will also increase the economic opportunity for real estate education providers and will increase the tax revenue in the State of Oklahoma by increasing the barriers for non-residents to obtain licensure in Oklahoma.

**A determination of any detrimental effect on the public health, safety and environment if the proposed rules are not implemented:**

If the proposed rule changes are not implemented there will be a detrimental effect on public health, safety, and environment as the Commission will not have rules that adequately hold real estate educators accountable to improved real estate education in Oklahoma and therefore will continue to have negative impact on licensees and a further negative impact on the general public during financial transactions in the purchase of housing and other real estate. There will also be a detrimental effect as an increased number of non-resident applicants for real estate licensure will continue to remove tax revenue from the State of Oklahoma and create tax revenue in other jurisdictions.

**Date the rule impact statement was prepared and the date modified:**

Prepared: January 16<sup>th</sup>, 2024

Modified: n/a

**Prepared by:**

Bailey Crotty

Deputy Director, Oklahoma Real Estate Commission (405) 521-3387

bailey@orec.ok.gov