

**NATIONAL ASSOCIATION OF REALTORS®**

**State Association Model Bylaws**

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## Summary of Revisions to the 2017 NAR State Association Model Bylaws

**Changes to Article XII, Section 3 of the State Board Bylaws:** At the 2016 REALTORS® Legislative Meetings and Trade Expo, the NAR Board of Directors approved **mandatory** amendments to Section 20(e), Initiating an Ethics Hearing, *Code of Ethics and Arbitration Manual*, to create an additional, effective way of ensuring accountability on the part of terminated or resigned respondents by holding an ethics hearing, at which their participation would be voluntary, and holding any ensuing discipline in abeyance until the member rejoined an association of REALTORS®. These amendments change the language of Article XII, Section 3 of the NAR *Model Bylaws for State Boards*.

**Section 3.** *If a member (as defined in Article II, Section 4 of these bylaws) resigns from the association or otherwise causes membership to terminate with an ethics complaint pending, ~~that board of directors may condition the right of the resigning member to re-apply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel~~ the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.*

*(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®. (Amended 1/00 and 11/11)*

**Changes to Article XII, Section 5.** At the November, 2014 meeting, the NAR Board of Directors approved mandatory biennial education on the Code of Ethics for REALTOR® members beginning January 1, 2017. To facilitate this requirement, the NAR *Model Bylaws for State Boards* must be amended.

### **Section 5. REALTOR® Code of Ethics Training**

*Effective January 1, ~~2001~~ 2017, through December 31, ~~2004~~ 2018, and for successive ~~four~~ two-year periods thereafter, each REALTOR® member of the association (with the*

*exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ~~quadrennial~~ ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any ~~four (4)~~ two (2) year cycle shall not be required to complete additional ethics training until a new ~~four (4)~~ two (2) year cycle commences.*

*Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement ~~for the second (2005 through 2008) cycle and subsequent four (4) year cycles~~ in any two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any ~~four (4)~~ two (2) cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, Amended 11/08, Amended 11/2016)*

**Bylaws  
of the**

\_\_\_\_\_  
**(name of state)**

**ASSOCIATION OF REALTORS®, INCORPORATED**

**(Adopted date \_\_\_\_\_)**

**Article I – Name and Objects**

Section 1. The name of this organization shall be: (state) \_\_\_\_\_  
Association of REALTORS®, Incorporated, hereinafter referred to as the association.

Section 2. The objects of this association shall be to unite local associations of REALTORS®, hereinafter referred to as associations\*, their members, and REALTOR® and REALTOR-ASSOCIATE® members in the state of \_\_\_\_\_ for the purpose of exerting effectively a combined influence upon matters affecting real estate, to elevate the standards of the real estate business throughout the state and the professional conduct of persons engaged therein.

\*As used herein, the term “association(s)” refers to boards and associations.

**Article II – Membership**

Section 1. The members of this association shall consist of six classes: (1) Member Boards, (2) Association members, (3) REALTOR® members, (4) Institute Affiliate members, (5) Affiliate members, and (6) Honorary members.

Section 2. A Member Board shall be an association chartered by the National Association of REALTORS® within the state of \_\_\_\_\_. All the REALTOR® and REALTOR-ASSOCIATE® members who hold primary membership in the association shall hold membership in this association and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Association members shall be either REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate members of a Member Board in good standing.

Section 4. A REALTOR® member shall be any individual engaged in the real estate profession as a principal, partner, corporate officer, or branch office manager acting on behalf of the firm’s principal(s), and licensed or certified individuals affiliated with said REALTOR® member whose place of business is located in an area outside the jurisdiction of any Member Board who meets the qualifications for REALTOR® membership established in subsection (a) below.

Secondary REALTOR® membership shall also be available to individuals who hold primary membership in an association in another state and who desire to obtain direct membership in the state association without holding membership in a local association in the state.

- (a) An applicant for REALTOR® membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the association through its membership committee or otherwise that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy\*, has no record of official sanctions involving unprofessional conduct\*\*, agrees to complete a course of instruction covering the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the committee, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

\*No recent or pending bankruptcy is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

\*\*No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:

- A. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date. (Amended 5/07)

**NOTE 1:** One or more of the requirements for REALTOR® membership set forth above in Article II, Section 4(a) may be deleted at the association's discretion. However, associations may NOT adopt membership qualifications more rigorous than specified in the *Membership Qualification Criteria for REALTOR® Membership* approved by the Board of Directors of the National Association.

**NOTE 2:** Article IV, Section 2 of the NAR *Bylaws* prohibits Member Boards from knowingly granting REALTOR® or REALTOR-ASSOCIATE® membership to any applicant who has an unfulfilled sanction pending which was imposed by another association of REALTORS® for violation of the Code of Ethics.

- (b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, in order to qualify for REALTOR® membership, shall at the time of application, be associated either as an employee or as an independent contractor with a designated REALTOR® member of the association or a designated REALTOR® member of another association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct\*, shall complete a course of instruction covering the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the membership committee and shall agree in writing that if elected to membership he/she will abide by such *Constitution, Bylaws, Rules and Regulations*, and the Code of Ethics. (Amended 5/07)

\*No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:

- A. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date. (Adopted 5/07)

**The following 4(c) can be adopted at the discretion of the State Association.**

(c) *The association will also consider the following in determining an applicant's qualifications for REALTOR® membership:*

- 1. All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years*
- 2. Pending ethics complaints (or hearings)*
- 3. Unsatisfied discipline pending*
- 4. Pending arbitration requests (or hearings)*
- 5. Unpaid arbitration awards or unpaid financial obligations to this or any other REALTOR® association or REALTOR® association MLS*
- 6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm*

*"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; see Article II, Section 4(a) Note 2) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved.*

*Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel. (Amended 11/09)*

- (d) The board of directors (or its appointed designee) shall review and act on all applications for membership. An application may not be rejected without providing the applicant with an opportunity to appear before the board of directors to make such statements as he/she deems relevant. If the board of directors determines that the application should be rejected, it shall record its reasons with the secretary. If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.
- (e) The board of directors may adopt an application fee for REALTOR® membership in reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for

REALTOR® membership and which shall become the property of the association upon final approval of the application.

- (f) Designated REALTOR® members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of association dues as established in Article II of the Bylaws. The “designated REALTOR®” must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® membership established in Article II, Section 4 of the Bylaws. (Amended 11/11)
- (g) Any REALTOR® member of the association may be disciplined by the board of directors for violations of these Bylaws, the Code of Ethics, or other duties of membership, after a hearing as described in the *Code of Ethics and Arbitration Manual* of the association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS®, as set forth in the *Code of Ethics and Arbitration Manual* of the National Association.

**Select one of the two following options for Section 4(h).**

**Option 1:**

- (h) If a REALTOR® member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined member, or until readmission of the disciplined member, or unless connection of the disciplined member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of suspension of the disciplined member or until readmission of the disciplined member or until connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR® member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the association, whichever may apply. If a REALTOR® member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.



## Option 2:

- (h) If a REALTOR® member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined member, or until readmission of the disciplined member or unless connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the association by the member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former member is admitted to membership in the association. The foregoing is not intended to preclude a suspended or expelled member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of suspension of the disciplined member or until readmission of the disciplined member, or unless connection of the disciplined member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the association, whichever may apply. If a REALTOR® member other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.
- (i) In any action taken against a REALTOR® member for suspension or expulsion under Section 4(h) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® member and they shall be advised that the provisions in Article II, Section 4(h) shall apply.

Section 5. Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who

otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such membership.

Section 6. Affiliate members shall be real estate owners and other individuals or firms who are Affiliate members of Member Boards.

Section 7. Honorary members shall be individuals other than those engaged in the real estate business who have contributed notably to this association.

### **Article III – Dues and Fees**

Section 1. The annual dues of each Member Board shall be (1) an amount as established by the board of directors \_\_\_\_\_ times the number of REALTOR® and REALTOR-ASSOCIATE® members who hold primary membership in the association, plus (2) an amount as established by the board of directors times the number of real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with REALTOR® members of the association who are not themselves REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate members. In calculating the dues payable by a Member Board, nonmembers, as defined in the preceding sentence, shall not be included in the computation of dues if dues have been paid in another association in the state or a state contiguous thereto, provided the association notifies the State Association in writing of the identity of the association to which dues have been remitted.

Section 2. The annual dues of each designated REALTOR® member actively engaged in the real estate business from areas not within the jurisdiction of a Member Board shall be (1) an amount as established by the board of directors plus (2) an amount as established by the board of directors times the number of real estate salespersons and licensed or certified appraisers who (a) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (b) are not REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate members. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2(a) hereof) provided that the licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

- (a) A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting,

managing, counseling, or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the designated REALTOR®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm. (Amended 11/09, 11/15)

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year.

Section 3. The annual dues of REALTOR® members other than designated REALTORS® shall be as determined annually by the board of directors.

Section 4. The annual dues of each Institute Affiliate member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

**NOTE:** The Institutes, Societies, and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate members (\$105). The National Association shall credit \$35 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$35 amount will be credited to the COB, unless the Institute Affiliate member directs that the dues be distributed to the other association. The National Association shall also credit \$35 to the account of state associations for each Institute Affiliate member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate members, but may provide service packages to which Institute Affiliate members may voluntarily subscribe. (Amended 11/2013)

Section 5. The annual dues of each Affiliate member shall be as established annually by the board of directors .

Section 6. In \_\_\_\_\_ of each year, each Member Board shall file with the State Association, in such format as shall be determined by the association, a list of its REALTOR®, REALTOR-ASSOCIATE®, and Institute Affiliate members and the number of real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with such REALTOR® members, certified by the president and secretary of the association. At the time

such list is filed, each Member Board shall pay dues for the current fiscal year based on such list, which dues shall be adjusted each month to reflect any net increase in the number of individuals licensed with REALTOR® members of the association who are not themselves REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate members. Member Board dues shall also be adjusted for new members enrolled by the association who were not previously licensed with a REALTOR® member of the association during the current fiscal year. Adjustments for new members shall be prorated monthly and be due and payable within \_\_\_\_\_ days after the new member's enrollment. Any Member Board or other member delinquent in payment of dues by more than \_\_\_\_\_ days may be dropped from membership in the association by the board of directors.

#### **Article IV – Officers**

Section 1. The elective officers of the association shall be a president, president-elect, a vice president from each district of the state, a secretary and a treasurer. In the absence of the president, the president-elect shall perform his/her duties. All officers shall serve for one (1) year or until their successors are elected and qualified and shall be *ex officio* members of the board of directors. The president shall not be eligible to serve a second successive term.

Section 2. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them respectively by the board of directors from time to time, and such as are required by law.

Section 3. The treasurer shall provide a surety bond in such amount as the board of directors may determine, the cost to be paid by the association.

Section 4. The board of directors may employ an executive vice president who shall be the chief administrative officer of the association, who may be elected and serve as the elected secretary, subject to the president and the executive committee, and who shall perform such other duties as may be delegated to him by the board of directors. He/she shall provide a surety bond in such amount as the board of directors may determine, the cost to be paid by the association. The executive vice president, with the approval of the board of directors, may employ such other persons as may be necessary to conduct the activities of the association.

Section 5. The board of directors may retain legal and other professional counsel and fix the terms of compensation thereof.

#### **Article V – Board of Directors**

Section 1. The government of the association shall be vested in a board of directors, elected for terms of \_\_\_\_\_ year(s), consisting of the following: (1) the president of each Member Board during his/her term of office, (2) one director for each \_\_\_\_\_ association members or major fraction thereof in each Member Board, (3) \_\_\_\_\_ \* past presidents of the association who continue their membership in the association, and (4) all elected officers of the association.

\*Membership to the board of directors may be restricted to the immediate past president or expanded to include all past presidents still active in the association.

Section 2. Proposals for directors to be elected from the REALTOR® membership of the several member associations shall be sent to the nominating committee at least one month in advance of the date of the annual meetings.

Section 3. The board of directors shall administer the finances of the association and shall have sole authority to appropriate money. The accounts of the association shall be audited annually by a certified public accountant.

Section 4. The board of directors shall meet \_\_\_\_\_ times each year on the \_\_\_\_\_ of \_\_\_\_\_ at a place to be determined.

Section 5. There shall be an executive committee of the board of directors, (composed of the president, president-elect, district vice presidents, treasurer, and secretary) or (composed of the President, Treasurer, and Secretary and \_\_\_\_\_ members of the board of directors appointed by the President, subject to the approval of the board of directors). This committee shall make recommendations to the board of directors, shall transact business of an emergency nature between meetings of the board of directors, and shall report such actions in full to the board of directors at its next meeting.

Section 6. Special meetings of the board of directors may be called at any time upon \_\_\_\_\_ days' written notice by the president or by any \_\_\_\_\_ directors.

Section 7. \_\_\_\_\_ directors shall constitute a quorum of the board of directors.

## **Article VI – Meetings**

Section 1. The association shall hold an annual membership meeting in the month of \_\_\_\_\_, the time and place to be designated by the board of directors. The meeting shall be held at the time of the annual convention. Association members and REALTOR® and REALTOR-ASSOCIATE® members present at any meeting of this association shall be delegates, entitled to participate in all discussions and deliberations.

Section 2. The association shall hold annually a convention which shall be open to all members upon payment of a registration fee to be determined by the board of directors.

Section 3. The inaugural meeting of the association shall be held in the month of \_\_\_\_\_ the time and place to be designated by the board of directors.

Section 4. Other meetings may be called by the board of directors. Any call for a meeting shall state the purpose, time and place of the meeting, and shall be issued in writing at least \_\_\_\_\_ days in advance.

Section 5. Presidents of \_\_\_\_\_ Member Boards, or their accredited alternates, shall constitute a quorum at any membership meeting or convention.

Section 6. Electronic Transaction of Business. To the fullest extent permitted by law, the board of directors or membership may conduct business by electronic means.

Section 7. Action without Meeting. Unless specifically prohibited by the Articles of Incorporation, any action required or permitted to be taken at a meeting of the board of directors may be taken without a meeting if consent, in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All approvals evidencing the consent shall be delivered to the secretary/executive vice president (select one) to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date.

## **Article VII – Committees**

Section 1. The President, subject to the approval of the board of directors, shall appoint the following standing committees, the members of which shall serve for one year, or until their successors are appointed and qualified:

- professional standards
- grievance
- multiple listing (when operated as a committee)

**NOTE:** Other standing committees which may be listed under this section include, but are not limited to, finance, legislative, public relations, membership, REALTOR® protection, education, equal opportunity, RPAC fundraising, international, commercial, affordable housing, community service, REALTOR®-of-the-year, etc.

Section 2. The president, with the approval of the board of directors, may appoint such other committees as he/she deems advisable. The president shall be an *ex officio* member of all committees.

Section 3. Committees shall have such duties as their titles indicate, and as the board of directors may assign. All actions of committees shall be subject to the approval of the board of directors.

Section 4. The past presidents of the association shall constitute an advisory committee which shall be available for consultation by the president or by other officers and by the board of directors.

Section 5. Action without Meeting. Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more of the members of the committee.

Section 6. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the president and shall constitute presence at the hearing.

### **Article VIII – Election of Officers**

Section 1. The election of officers and directors shall be held at the annual membership meeting of the association or where permitted by state law, electronically.

Section 2. At a regular meeting of the board of directors, not less than two months before the annual membership meetings, the president, with the approval of the board of directors, shall appoint a nominating committee composed of one association member from each district, together with one alternate member. The immediate past president of the association shall serve *ex officio* as chairman with the right to vote in the event of a tie. The nominating committee shall name at least one candidate for each office and each vacancy on the board of directors. The report of the nominating committee shall be announced and conspicuously displayed at least 24 hours before the election is held. The report can also be mailed or where permitted by state law, electronically transmitted to each member eligible to vote. Additional nominations may be made from the floor at the annual membership meeting by any REALTOR® member of the association.

**Option 1:** Election shall be by ballot and all votes shall be cast in person. The ballot shall contain the names of all candidates and the offices for which they are nominated.

**Option 2:** Where permitted by state law, and in accordance with applicable state requirements, election of officers may be conducted by electronic means, in accordance with procedures established by the board of directors.

### **Article IX – Delegate Body**

Section 1. Voting shall be by Member Boards. Each association shall be represented by the president or his/her duly accredited designee, who shall be an association member of the same association, and who shall in *viva voce* cast the vote for his/her board. The number of votes to which a Member Board shall be entitled shall be equal to the number of its REALTOR® and REALTOR-ASSOCIATE® members who hold primary membership in the association. In the event a *viva voce* is not unanimous, any delegate may request a recorded vote prior to the body's consideration of the next item of business, which request must be granted by the presiding officer. The recorded vote may be administered electronically, or by written ballot or by another process identified prior to the commencement of the meeting of the Delegate Body.

Section 2. REALTOR® Members as defined in Article II, Section 4, of these Bylaws may vote in person at any meeting at which the presidents of the Member Boards may vote.

## **Article X – Fiscal Year**

Section 1. The fiscal year of the association shall be the calendar year.

Section 2. The elective year of the association shall be \_\_\_\_\_ to \_\_\_\_\_.

## **Article XI – Code of Ethics**

Section 1. The Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® is adopted as the Code of Ethics of the association and shall be considered a part of its Rules and Regulations, and the Code of Ethics and the Rules and Regulations of the association shall, in the future, be deemed to be amended and changed whenever said Code of Ethics is amended or changed by the National Association.

## **Article XII – Professional Standards**

A local association, prior to referring an ethics complaint or arbitration request for review to the State Association, should exhaust all efforts to impanel an impartial tribunal to conduct either the original hearing or the appeal or procedural review. These efforts may include the appointment of knowledgeable members of the association on an ad hoc basis to serve on either a hearing panel or on behalf of the board of directors. If, because of notoriety, etc., the association cannot impanel an impartial tribunal, the association may refer the matter to the State Association, and the State Association may delegate to another association or a regional enforcement facility, the authority to hear the case on behalf of the State Association. No association or regional enforcement facility, however, may be required to accept this delegation of authority. If no other entity is amenable to conducting the review, the State Association shall be responsible for conducting the hearing.

Section 1. Allegations of ethical violations and contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® and between REALTORS® and their customers or clients may be submitted to an ethics or arbitration panel at the State Association level under the following circumstances:

- (a) Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® who is directly a member of the State Association and not a member of any local association.
- (b) Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® in the instance in which the local association, because of size or other valid reason, determines that it cannot provide a due process hearing of the matter and petitions the State Association to conduct a hearing.
- (c) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are not members of the same association where the matter has been referred to the State Association by both local associations.



- (d) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are directly members of the State Association and are not members of any association.
- (e) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between a REALTOR® who does not hold membership in any association, but is directly a member of the State Association, and a REALTOR® who is a member of an association.
- (f) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTOR® members of the same association where the association with good and sufficient reason is unable to arbitrate the controversy. (Explanation: This provision is not designed to relieve a local association of its primary responsibility to resolve differences arising between members of the same association. The section recognizes that in some associations with limited membership, usual arbitration procedures may be impossible.)
- (g) Contractual disputes between a customer or a client and a REALTOR® where the association with good and sufficient reason is unable to arbitrate the dispute or the REALTOR® is a direct member of the State Association.

Section 2. The responsibility of the association and of association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the *Code of Ethics and Arbitration Manual* of the \_\_\_\_\_ Association of REALTORS®, as from time to time amended, which by this reference is made a part of these Bylaws.

**Section 3.** ~~If a member (as defined in Article II, Section 4 of these bylaws) resigns from the association or otherwise causes membership to terminate with an ethics complaint pending, that board of directors may condition the right of the resigning member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.~~ (Amended 11/16)

If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®. (Amended 1/00 and 11/11)

If a REALTOR® member (as defined in Article II, Section 4, of these bylaws) resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®. (Amended 11/11)

Section 4. New Member Code of Ethics Orientation. Applicants for REALTOR® and REALTOR-ASSOCIATE® membership shall complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants who have completed comparable orientation in another association, provided that membership has been continuous, or that any break in membership is for one year or less.

Failure to satisfy this requirement within \_\_\_\_\_ days of the date of application will result in denial of the membership application.

**NOTE:** This orientation program must meet the learning objectives and minimum criteria, established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

#### **Section 5. REALTOR® Code of Ethics Training**

Effective January 1, 2017, through December 31, 2018, and for successive ~~four~~ two year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any two (2) year cycle shall not be required to complete additional ethics training until a new two (2) year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, Amended 11/08, Amended 11/2016)

### **Article XIII – Use of the Terms REALTOR®, REALTORS® and REALTOR-ASSOCIATE®**

Section 1. Use the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® by members shall, at all times, be subject to the provisions of the *Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®* and to the Rules and Regulations prescribed by its board of directors. The State Association shall have authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within those areas of the state of \_\_\_\_\_ not within the jurisdiction of a Member Board. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the board of directors after a hearing as provided for in the association's *Code of Ethics and Arbitration Manual*. (Amended 5/06)

Section 2. REALTOR® members of the State Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their business so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.

Section 3. A REALTOR® member who is a principal of a real estate firm, partnership or corporation may use the terms REALTOR® or REALTORS® only if all the principals of such firm, partnership or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® or Institute Affiliate members.

Section 4. REALTOR-ASSOCIATE® members of the State Association shall have the right to use the term REALTOR-ASSOCIATE® so long as they remain REALTOR-ASSOCIATE® members in good standing and the REALTOR® member with whom they are associated or by whom they are employed is also a REALTOR® member in good standing.

Section 5. An Institute Affiliate member shall not use the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® and shall not use the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

### **Article XIV – Districts**

Section 1. The board of directors shall, for administrative purposes, divide the state into districts. A vice president shall be elected from each of the districts.

### **Article XV – Rules of Order**

Section 1. *Robert's Rules of Order*, latest edition, shall be recognized as the authority governing all meetings and conferences when not in conflict with the bylaws of the association.

### **Article XVI – Amendments**

Section 1. These Bylaws may be amended by a majority vote of the members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting.

**Optional Language A. May be adopted at the State Association's discretion:** If the association desires, it may adopt the following language for amending the Bylaws. State associations should consult with legal counsel prior to adoption of this language to determine if this procedure is consistent with applicable state law.

*Section 1. These Bylaws may be amended by the majority vote of the members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the board of directors may, at any regular or special meeting of the board of directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.*

**Optional Language B. May be adopted at the State Association's discretion:** If the association desires, it may adopt the following language for amending the Bylaws. State associations should consult with legal counsel prior to adopting this language to determine if this procedure is consistent with applicable state law.

*Section 1. When Bylaws amendments are mandated by NAR policy, these Bylaws may be automatically amended to reflect the mandate as of the effective date of the mandatory policy authorized by the NATIONAL ASSOCIATION OF REALTORS®. The associations shall provide notice of that change in a regular or special membership communication.*

Section 2. Amendments to these Bylaws affecting the admission or qualifications of REALTOR®, REALTOR-ASSOCIATE®, and Institute Affiliate members, the use of the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® or any alteration in the territorial jurisdiction of an association shall become effective upon the approval of the board of directors of the National Association.

## **Article XVII – Harassment**

**Section 1. Harassment.** Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or association officer or director after an investigation in accordance with the procedures of the association. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the president, and president-elect and/or vice president and one member of the board of directors selected by the highest ranking officer not named in the complaint, upon consultation with legal

counsel for the association. Disciplinary action may include any sanction authorized in the association's *Code of Ethics and Arbitration Manual*. If the complaint names the president, president-elect or vice president, they may not participate in the proceedings and shall be replaced by the immediate past president or, alternatively, by another member of the board of directors selected by the highest ranking officer not named in the complaint.

**NOTE:** Suggested procedures for processing complaints of harassment are available on line at <http://www.REALTOR.org> or from the Member Policy Department. (Amended 5/08)

### **Article XVIII – Dissolution**

Section 1. Upon the dissolution of the association, the board of directors, after providing for payment of all obligations, shall distribute any remaining assets to \_\_\_\_\_, or within its discretion, to any other nonprofit, tax-exempt organization.

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12/31/2013