

Summary of Revisions to the 2010 NAR Model Bylaws for Local Member Boards

During the 2009 REALTORS® Conference & Expo the NAR Board of Directors approved modifications to the NAR Model Bylaws for Local Member Boards. Following is a summary of **optional** amendments to the NAR Model Bylaws for Local Member Boards, provided in legislative style for ease of reference (underscoring indicates additions; ~~strikethroughs~~ indicate deletions). For more details about these changes, please refer to the Membership Policy and Board Jurisdiction Committee's actions for 2009, available on line at REALTOR.org: <http://realtor.org/mempolweb.nsf/comnameweb?openview>.

Article V – Qualification and Election, Section 2(c): Article V, Section 2(c) was modified to clarify that associations may take into account prior Code of Ethics violations and violations of other membership duties in considering applicants for REALTOR® membership. The former language inadvertently limits consideration to previous violations determined by other associations.

The following Section 2(c) may be adopted at the discretion of the local 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 any other association or 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 V, Section 2(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 (6) 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)

Article X – Dues and Assessments, Section 2. Dues (a) (1): Article X, Section 2(a)(1) was amended to clarify the consequences of violating the terms of the dues exemption for referral licensees. A Sample LFRO Certification Form is available on Realtor.org at <http://realtor.org/mempolweb.nsf/pages/LFRO>.

Section 2. Dues. The annual dues of members shall be as follows.

(a) REALTOR® Members. The annual dues of each designated REALTOR® member shall be in such amount as established annually by the board of directors, plus an additional amount to be established annually by the board of directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any association in the state or a state contiguous thereto or Institute Affiliate members of the association. In calculating the dues payable to the association by a designated REALTOR® member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the designated REALTOR® has paid dues based on said non-member licensees in another association in the state or a state contiguous thereto, provided the designated REALTOR® notifies the association in writing of the identity of the association to which dues have been remitted. In the case of a designated REALTOR® member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this association. (Amended 1/05)

(1) For the purpose of this section, a REALTOR® member of a Member Board shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by 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)(1) hereof) provided that such 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 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®.

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. (Amended 11/09)

Article XI – Election of Officers and Directors, Section 3. Board of Directors: Article XI – Section 3 was modified to provide model language for local associations wishing to limit the number of members of the same real estate firm serving simultaneously on the Board of Directors.

Section 3. Board of Directors. *The governing body of the association shall be a board of directors consisting of the elected officers, the immediate past president of the association, and _____ elected REALTOR® members of the association. Directors shall be elected to serve for terms of three (3) years, except that at organization, one-third of the elected directors shall be elected for terms of one (1), two (2), and three (3) years, respectively, or for lesser terms as may be necessary to complete the first fiscal year. Thereafter, as many directors shall be elected each year as are required to fill vacancies. (Amended 1/05)*

Optional Subsections (a) and (b): *The association may adopt the following, optional language related to term limits, in addition to the current language (above) for Section 3:*

(a) Term Limits. No director shall serve for more than two (2) consecutive three (3)-year terms. (Adopted 1/05)

(b) No more than (blank space) REALTORS® from the same real estate firm may simultaneously serve on the Board of Directors. (Adopted 11/09)

Article XVIII – Multiple Listing, Sections 3 and 4. Participation: In the NAR Model MLS Rules and Regulations (all types), Section 17 – Orientation, was amended to enable MLSs to require participants and subscribers to take additional training necessary to ensure familiarity with system enhancements or changes in policies. Further, a new statement of MLS policy, Statement 7.92 – Orientation and Other Training, was also adopted addressing both MLS orientation and subsequent training requirements. Consequently, Article XVIII, Section 3 (for an MLS operated as a committee), and Article XVIII, Section 4 (for an MLS operated as a separate corporation) of the NAR Model Bylaws for Local Member Boards were amended. The following amendments are optional.

***Optional qualification, may be adopted at the local association's discretion:**

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within thirty (30) days after access has been provided.

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancement and/or changes to MLS rules or policies.
Participants and subscribers must be given the opportunity to complete any mandated additional training remotely. (Amended 11/09)