

HOUSE BILL No. 1055

DIGEST OF INTRODUCED BILL

Citations Affected: IC 25-34.1.

Synopsis: Licensing of HOA management companies. Requires a person who manages property on behalf of a homeowners association to obtain a broker license. Provides that a managing broker that works for a person who manages property on behalf of a homeowners association is not subject to a two year licensing prerequisite until June 30, 2028, if certain conditions are met.

Effective: July 1, 2026.

Olthoff

January 8, 2025, read first time and referred to Committee on Employment, Labor and Pensions.



First Regular Session of the 124th General Assembly (2025)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

HOUSE BILL No. 1055

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 25-34.1-1-2, AS AMENDED BY P.L.116-2015,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 2. As used in this article:
4 (1) "Person" means an individual, a partnership, a corporation, or
5 a limited liability company.
6 (2) "Commission" means the Indiana real estate commission.
7 (3) "Real estate" means any right, title, or interest in real property.
8 (4) "Broker" means:
9 (A) a person who:
10 ~~(A)~~ (i) for consideration, sells, buys, trades, exchanges,
11 options, leases, rents, manages, lists, or appraises real estate
12 or negotiates or offers to perform any of those acts; and
13 ~~(B)~~ (ii) is acting in association with and under the auspices
14 of a managing broker and broker company; or
15 (B) a person who manages property on behalf of a
16 homeowners association (as defined in IC 32-25.5-2-4) for
17 compensation.



- 1 (5) "License" means a broker license issued under this article and
 2 which is not expired, suspended, or revoked.
 3 (6) "Licensee" means a person who holds a license issued under
 4 this article. The term does not include a person who holds a real
 5 estate appraiser license or certificate issued under the real estate
 6 appraiser licensure and certification program established under
 7 IC 25-34.1-3-8.
 8 (7) "Course approval" means approval of a broker course granted
 9 under this article which is not expired, suspended, or revoked.
 10 (8) "Licensing agency" means the Indiana professional licensing
 11 agency established by IC 25-1-5-3.
 12 (9) "Board" refers to the real estate appraiser licensure and
 13 certification board established under IC 25-34.1-8-1.
 14 (10) "Commercial real estate" means a parcel of real estate other
 15 than real estate containing one (1) to four (4) residential units.
 16 This term does not include single family residential units such as:
 17 (A) condominiums;
 18 (B) townhouses;
 19 (C) manufactured homes; or
 20 (D) homes in a subdivision;
 21 when sold, leased, or otherwise conveyed on a unit-by-unit basis,
 22 even if those units are part of a larger building or parcel of real
 23 estate containing more than four (4) residential units.
 24 (11) "Out-of-state commercial broker" includes a person, a
 25 partnership, an association, a limited liability company, a limited
 26 liability partnership, or a corporation that is licensed to do
 27 business as a broker in a jurisdiction other than Indiana.
 28 (12) "Out-of-state commercial salesperson" includes a person
 29 affiliated with an out-of-state commercial broker who is not
 30 licensed as a broker under this article.
 31 (13) "Managing broker" refers to an individual broker whom the
 32 commission holds responsible for the actions of licensees who are
 33 affiliated with the broker company.
 34 (14) "Broker company" means a licensee that is a business
 35 engaged in the activities described in IC 25-34.1-3-2(a), whether
 36 as a sole proprietorship, a partnership, a limited liability company,
 37 or a corporation. In the case of a broker company that is a sole
 38 proprietorship, the individual broker who is the sole proprietor is
 39 the broker company and the managing broker for the broker
 40 company.

41 SECTION 2. IC 25-34.1-3-4.1, AS AMENDED BY P.L.32-2020,
 42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



- 1 JULY 1, 2026]: Sec. 4.1. (a) To obtain a broker license, an individual
 2 must:
- 3 (1) be at least eighteen (18) years of age before applying for a
 4 license and must not have a conviction for:
 - 5 (A) an act that would constitute a ground for disciplinary
 6 sanction under IC 25-1-11;
 - 7 (B) a crime that has a direct bearing on the individual's ability
 8 to practice competently; or
 - 9 (C) a crime that indicates the individual has the propensity to
 10 endanger the public;
 - 11 (2) have a high school diploma or a general educational
 12 development (GED) diploma under IC 20-20-6 (before its repeal)
 13 or IC 22-4.1-18;
 - 14 (3) have successfully completed an approved broker course of
 15 study as prescribed in IC 25-34.1-5-5;
 - 16 (4) apply for a license by submitting the application fee
 17 prescribed by the commission and an application specifying:
 - 18 (A) the name, address, and age of the applicant;
 - 19 (B) the broker company with which the applicant intends to
 20 associate;
 - 21 (C) the address of the broker company;
 - 22 (D) proof of compliance with subdivisions (2) and (3); and
 - 23 (E) any other information the commission requires;
 - 24 (5) pass a written examination prepared and administered by the
 25 commission or its duly appointed agent; and
 - 26 (6) within one (1) year after passing the commission examination,
 27 submit the license fee established by the commission under
 28 IC 25-1-8-2. If an individual applicant fails to file a timely license
 29 fee, the commission shall void the application and may not issue
 30 a license to that applicant unless that applicant again complies
 31 with the requirements of subdivisions (4) and (5) and this
 32 subdivision.
- 33 (b) To obtain a broker license, a partnership must:
- 34 (1) have as partners only individuals who are licensed brokers;
 - 35 (2) have at least one (1) partner who qualifies as a managing
 36 broker under IC 25-34.1-4-0.5 and IC 25-34.1-4-3;
 - 37 (3) cause each employee of the partnership who acts as a broker
 38 to be licensed; and
 - 39 (4) submit the license fee established by the commission under
 40 IC 25-1-8-2 and an application setting forth the name and
 41 residence address of each partner and the information prescribed
 42 in subsection (a)(4).



- 1 (c) To obtain a broker license, a corporation must:
 2 (1) have a licensed broker who qualifies as a managing broker
 3 under IC 25-34.1-4-0.5 and IC 25-34.1-4-3;
 4 (2) cause each employee of the corporation who acts as a broker
 5 to be licensed; and
 6 (3) submit the license fee established by the commission under
 7 IC 25-1-8-2, an application setting forth the name and residence
 8 address of each officer and the information prescribed in
 9 subsection (a)(4), a copy of the certificate of incorporation, and a
 10 certificate of good standing of the corporation issued by the
 11 secretary of state.
- 12 (d) To obtain a broker license, a limited liability company must:
 13 (1) if a member-managed limited liability company:
 14 (A) have as members only individuals who are licensed
 15 brokers; and
 16 (B) have at least one (1) member who qualifies as a managing
 17 broker under IC 25-34.1-4-0.5 and IC 25-34.1-4-3;
 18 (2) if a manager-managed limited liability company, have a
 19 licensed broker who qualifies as a managing broker under
 20 IC 25-34.1-4-0.5 and IC 25-34.1-4-3;
 21 (3) cause each employee of the limited liability company who acts
 22 as a broker to be licensed; and
 23 (4) submit the license fee established by the commission under
 24 IC 25-1-8-2 and an application setting forth the information
 25 prescribed in subsection (a)(4), together with:
 26 (A) if a member-managed company, the name and residence
 27 address of each member; or
 28 (B) if a manager-managed company, the name and residence
 29 address of each manager, or of each officer if the company has
 30 officers.
- 31 (e) Licenses granted to partnerships, corporations, and limited
 32 liability companies are issued, expire, are renewed, and are effective on
 33 the same terms as licenses granted to individual brokers, except as
 34 provided in subsection (h), and except that expiration or revocation of
 35 the license of:
 36 (1) any partner in a partnership or all individuals in a corporation
 37 satisfying subsection (c)(1); or
 38 (2) a member in a member-managed limited liability company or
 39 all individuals in a manager-managed limited liability company
 40 satisfying subsection (d)(2);
 41 terminates the license of that partnership, corporation, or limited
 42 liability company.



1 (f) Upon the applicant's compliance with the requirements of
 2 subsection (a), (b), or (c), the commission shall issue the applicant a
 3 broker license and an identification card which certifies the issuance
 4 of the license and indicates the expiration date of the license. The
 5 license shall be displayed at the broker's place of business. **Except as**
 6 **provided in IC 25-34.1-4-0.5**, for at least two (2) years after the
 7 issuance of a license, the individual cannot be a managing broker. An
 8 individual who applies for a broker's license after June 30, 2014, must,
 9 during the first two (2) years after the license is issued, take and pass
 10 at least thirty (30) hours of postlicensing education focused on the
 11 practical matters of real estate transactions instead of the continuing
 12 education requirements under IC 25-34.1-9.

13 (g) Subject to IC 25-1-2-6(e), unless the license is renewed, a broker
 14 license expires, for individuals, on a date specified by the licensing
 15 agency under IC 25-1-6-4 and expires three (3) years after the initial
 16 expiration date. An applicant for renewal shall submit an application
 17 in the manner prescribed by the commission and pay the renewal fee
 18 established by the commission under IC 25-1-8-2 on or before the
 19 renewal date specified by the licensing agency. If the holder of a
 20 license does not renew the license by the date specified by the licensing
 21 agency, the license expires and becomes invalid without the
 22 commission taking any action.

23 (h) Subject to IC 25-1-2-6(e), if the holder of a license under this
 24 section fails to renew the license on or before the date specified by the
 25 licensing agency, the license may be reinstated by the commission if
 26 the holder of the license, not later than three (3) years after the
 27 expiration of the license, meets the requirements of IC 25-1-8-6(c).

28 (i) If a license under this section has been expired for more than
 29 three (3) years, the license may be reinstated by the commission if the
 30 holder meets the requirements for reinstatement under IC 25-1-8-6(d).

31 (j) A partnership, corporation, or limited liability company may be
 32 only a broker company, except as authorized in IC 23-1.5 and subject
 33 to section 4.5 of this chapter. An individual broker who associates with
 34 a broker company shall immediately notify the commission:

- 35 (1) of the name and business address of the broker company with
- 36 which the individual broker is associating; and
- 37 (2) of any changes of the broker company with which the
- 38 individual broker is associated that may occur.

39 Upon receiving notice under subdivision (1) or (2), the commission
 40 shall change the address of the individual broker on its records to that
 41 of the broker company.

42 SECTION 3. IC 25-34.1-4-0.5, AS AMENDED BY P.L.116-2015,



1 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2026]: Sec. 0.5. **(a)** Except as provided in **subsection (b)** or
3 section 6 of this chapter, to become a managing broker, an individual
4 must:

- 5 (1) hold an active broker's license for at least two (2) years; and
6 (2) take and pass at least twenty-four (24) hours of broker
7 management courses approved by the commission.

8 **(b) The two (2) year requirement in subsection (a)(1) does not**
9 **apply to an individual until after June 30, 2028, if:**

10 **(1) the individual:**

11 **(A) works as a managing broker for a person who manages**
12 **property on behalf of a homeowners association (as**
13 **defined in IC 32-25.5-2-4) for compensation; and**

14 **(B) holds an active broker's license; and**

15 **(2) the person was managing property on behalf of a**
16 **homeowners association (as defined in IC 32-25.5-2-4) for**
17 **compensation on or before June 30, 2026.**

