



CRMLS RULES AND POLICY CHANGES

JUNE 1, 2023

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Citation Policy Changes:

Revised Warnings- Violations of Rules 7.2 (Duplicate Listing Entry), 7.6 (Improper Classification of Property Type), 11.5(c) (Untruthfulness/Misrepresentation in Media) and 12.5 (Misuse of Public Remarks) will now receive a Warning prior to the issuance of a Citation.

Numbering changes- Violations of Rule 12.16 (Misuse of MLS Data on the Internet; Violation of IDX Rules) will now be processed under the Rule's new designation 19.2. Violations of Rule 19 (Misuse of MLS Data on the Internet; Violation of VOW Rules) will now be processed under the Rule's new designation 19.3.

Rules and Regulations Changes:

Relocations¹:

Rule 4.1- Participant- Portions of this Rule have been relocated to section 19.1.

Rule 12.16- Internet Data Exchange (IDX)- This section has been relocated to section 19.2.

Rule 19- Virtual Office Websites- This section has been revised and renamed as Participant Data Access. Former section 19 has been relocated to section 19.3.

Addition of new:

Rule 7.8.1- Registered Listings. This new subsection has been added using already existing verbiage within Rule(s) 7.8 and 10.2 to address the subject of Registered Listings.

Registered Listings. Listings that are subject to the above identified listing agreements, but which have not been placed in the MLS for cooperation must be Registered with the MLS in accordance with the requirements of Rule 7.8. Registered listings shall not be made available for viewing, compensation or cooperation in the MLS database to cooperating Participants and DOM shall not calculate on a Registered listing. Registered listings are by definition subject to the requirements of Rule 7.9.

Rule 19.1- Participant Definition and Requirements for MLS Data Use Outside MLS Front End. This new section has been added to govern the use of MLS Data by Participants.

Participant Definition and Requirements for MLS Data Use Outside MLS Front End.

- a) **Representation.** These rules govern the use of MLS data by a Participant outside of the Participants use and access to the MLS provided front end search and add/edit systems. Participant use of any MLS Data outside of the subscribed to front end systems licensed by MLS, and that is provided through a data feed of any portion of the MLS compilation is limited to Participants that are actively engaged in the direct representation, with all legally applied fiduciary duties as the agent of 1) buyers that make offers on properties

¹ The Rules have been revised internally throughout to be consistent with any relocations and the corresponding re-numbering.

listed in the MLS Database, or 2) Sellers that list properties in the MLS Database and for which Participant offers and/or accepts compensation. Participants shall comply with all California Department of Real Estate (DRE) regulations related to the representation of buyers and sellers including but not limited to the signing of written agreements, conducting agent visual inspections and providing all disclosures.

- b) Actively Endeavoring.** Mere possession of a Broker's License is not sufficient to qualify for MLS data access participation. Rather, the requirement that an individual or firm "offers and/or accepts compensation" means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and on-going basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude MLS data access participation by a Participant or potential Participant that operates a real estate business on part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS data access participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny MLS data access participation based on the level of service provided by the Participant or Potential Participant as long as the level of service satisfies state law.

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW"; See Section 19.3) (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant "actively endeavors during the operation of its real estate business" to "offer and/or accept compensation and cooperation" only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so.

- c) Referral Activity.** Note that solely engaging in referral activities is not sufficient to qualify for MLS data access, but if a broker Participant is actively engaged in providing brokerage services as described above and to an extent that does permit MLS data access, it may also engage in making some referrals to others. Nothing in this rule shall prohibit or limit the ability of MLS to grant access or a data license to an entity or person that does not qualify under these Participant Data Use Rules.

Revisions to:

Rule 11.5.1(b)(ii)- Mandatory Submission of Photograph/Rendering- The timeframe for submitting a seller's instruction to not include photos in a listing has been revised to two (2) days:

If applicable, a seller's written instruction to the listing broker expressly directing that photographs/renderings of the subject property not appear in the MLS compilation must be provided to the MLS/AOR within **two (2)** days of listing entry.

Rule 12.8- Advertising of Listing Filed With the MLS- This rule will be revised to read as follows:

Advertising of Listing Filed With the MLS. A listing shall not be advertised in any media **or used for any advertising purposes**, including the Internet, by any Participant or Subscriber other than the Listing Broker, without the prior consent of the Listing Broker except as provided in Section 19.2 relating to display of listings on the Internet.

Rule 14.3.1- Mandatory Hearing for Multiple Citations. This rule will be revised to remove distinctions between Subscriber and Participant, and will read as follows:

Mandatory Hearing for Multiple Citations. For any MLS Rule violation that would result in a fourth **(or further)** Citation in any calendar year, **the violator and the violator's** Office Manager or Designated Broker, **if applicable**, shall appear before a Professional Standards hearing panel to: 1) adjudicate the alleged MLS Rule violation(s), 2) determine additional sanctions the panel deems appropriate for the **violator's** continuing failure to follow the MLS Rules, and 3) determine sanctions the panel deems appropriate for the Office Manager or Designated Broker's failure to properly supervise and correct the **violator's** continuing failure to follow the MLS Rules. **If the violator is the Designated Broker, determination of sanctions for failure to supervise shall not apply.**