



# NAVIGATING CHANGES TO REAL ESTATE TEAMS

Alabama's real estate license law changes in HB 382 / Alabama Act 2025-380 take effect October 1, 2025. This guide is about the new requirements under the law for *teams*.

## OVERVIEW & DEFINITION

- As of 10/1/25, teams will be regulated under Alabama real estate license law.
- A team is defined as "two or more licensees *within the same company* who work together to provide services for which a license is required and who hold themselves out to the public as a *distinct group within the company*." (Alabama Code § 34-27-2(18))(emphasis added)

## RULES & REQUIREMENTS

### Alabama Code § 34-27-39

- Team Name: All teams names must include the word "team" or "group".
  - The name can't use words that could imply that the team is its own company, like "corporation," "limited liability company," "partnership," "business," "enterprise," or "company" (or abbreviations for these words). **Proposed amended Ala. Real Estate Admin. Rule 790-X-3-.16**
- One Team: A licensee may only be a member of one team.
- Leadership: The team must have a designated leader.
- Team Member List: The team leader must give the Qualifying Broker a list of team members.
  - Non-licensed individuals that work with the team don't need to be included in the list.
- Advertisements:
  - A team must have the Qualifying Broker's *written approval* for any advertisements for the team.
  - All advertisements for the team must also include the company name.
  - All advertisements for the team must include *at least* one team member's name.

## BEST PRACTICES

- The team member list should always be up to date. If a licensee exits the team, this should be immediately noted on the list, including their exit date. If a licensee joins the team, the list should be immediately updated.
- Any company rules regarding teams, including requirements for team members, compensation, etc., should be memorialized in writing.

## FORMS

- Listing Agreements and Buyer Agreements: You're not required to use a special Listing Agreement or Buyer Agreement when a team is working with a consumer. However, you do need to be sure that the agreement outlines which licensee(s) the consumer will be working with and what each licensee's role will be.
- Team Member List: There is no required format for your team member list, but AAR will offer a template.

*This document is for information only and does not constitute legal advice. If you need legal advice, please contact an attorney.*