



**House  
Legislative  
Analysis  
Section**

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**REVISE REAL ESTATE REGS.**

**House Bill 4269**  
**Sponsor: Rep. Joe Young, Jr.**  
**Committee: State Affairs**

**Complete to 3-2-93**

**A SUMMARY OF HOUSE BILL 4269 AS INTRODUCED 2-17-93**

The bill would amend the part of the Occupational Code that regulates real estate brokers and real estate salespeople to do the following:

\* Define the terms "employ" and "employment" so as to allow the inclusion of an independent contractor relationship between a real estate broker and an associate broker or real estate salesperson if two conditions were met:

(1) There was a written agreement between the real estate broker and the associate broker or salesperson in which the latter are not employees of the former for federal and state income tax purposes; and

(2) not less than 75 percent of the annual compensation paid by the real estate broker to the associate broker or salesperson was from commissions from the sale of real estate. (However, the bill would make clear that real estate brokers would remain responsible for the actions of real estate brokers or salespeople who had independent contractor relationships with the broker.)

\* Include in the prohibition against paying commissions ("or valuable consideration") to "unlicensed" people the sharing or paying of a fee to anyone providing names of ("or any other information regarding") potential buyers or sellers of real estate. (The bill would specifically exempt payment for commercially prepared lists of names, and the currently allowed referral of prospective tenants.)

\* Prohibit lawsuits against licensed real estate brokers and salespeople for not revealing either (a) that a former occupant had (or was suspected of having had) a handicap whose disclosure would be legally discriminatory, or (b) that the property was (or was suspected as having been) the site of a suicide or murder ("or other occurrence prohibited by law which had no material effect on the condition of the real property or improvements").

MCL 339.2501 et al.

House Bill 4269 (3-2-93)