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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 5719 (Substitute H-1 as reported without amendment)  
Sponsor: Representative Andrew Richner  
House Committee: Family and Civil Law  
Senate Committee: Economic Development, International Trade and Regulatory Affairs

### **CONTENT**

The bill would amend Article 25 (Real Estate Brokers and Salespersons) of the Occupational Code to permit a broker and a client to enter into a designated agency agreement, naming an individual salesperson or associate broker as that client's designated agent; specify the duties of a designated agent with respect to affiliated licensees (salespersons or associate brokers employed by the same broker); and include an affiliated licensee disclosure on the statutory form for disclosure of types of agency relationships.

The bill specifies that, in the absence of a written designated agency agreement, a client would be considered to have an agency relationship with the broker and all affiliated licensees.

If designated agents who were affiliated licensees represented different parties in the same real estate transaction, the broker and all supervisory brokers would be considered disclosed consensual dual agents for that transaction. A designated agency agreement would have to contain the name of all associate brokers who were authorized to act as supervisory brokers.

Designated agents who were affiliated licensees representing different parties in the same transaction would have to notify their clients that their broker represented both buyer and seller before an offer to purchase was made or presented.

Except as provided above, a client with a designated agency agreement would not be considered to have an agency relationship with any affiliated licensees of the designated agent. Two designated agents who were affiliated licensees each could represent a different party in the same transaction and would not be considered dual agents. A designated agent's knowledge of a client's confidential information would not be imputed to any affiliated licensee not having an agency relationship with that client.

MCL 339.2517

Legislative Analyst: L. Arasim

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 5-31-00

Fiscal Analyst: M. Tyszkiewicz