

Legislative Analysis



REAL ESTATE BROKER RESPONSIBILITIES

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House Bills 4849

Sponsor: Rep. Tonya Schuitmaker

House Bill 4850

Sponsor: Rep. Kevin Green

Committee: Regulatory Reform

Complete to 9-26-05

A SUMMARY OF HOUSE BILLS 4849 AND 4850 AS INTRODUCED 5-31-05

House Bill 4849 would amend section 2512 of the Occupational Code to specify that a licensed real estate broker who fails to provide certain minimum services under an exclusive service provision agreement would be subject to the act's penalties. Under the bill, a real estate broker acting under a service provision agreement creating an exclusive agency relationship would, at a minimum, be required to provide the following services to the client:

- Market the client's property in the manner agreed upon in the service provision agreement, when representing a seller or lessor;

- Acceptance of delivery and presentation of offers and counteroffers to buy, sell, or lease the client's property or the property the client seeks to purchase or lease;

- Assistance in developing, communicating, negotiating, and presenting offers, counteroffers, and related notices or documents until a purchase or lease agreement is executed by all parties and all contingencies are satisfied or waived;

- After execution of a purchase agreement, assistance as necessary to complete the transaction under the terms specified in the purchase agreement; and

- Furnishing, or causing to be furnished, a complete and detailed closing statement.

House Bill 4850 would amend section 2517 of the Occupational Code to require the written agency disclosure statement that a seller's agent must provide a potential buyer or seller to contain the requirements listed in House Bill 4849.

[Note: Michigan law requires real estate licensees who are acting as agents or sellers or buyers of real property to advise the potential sellers or buyers with whom they work of the nature of the agency relationship.]

The two bills are tie-barred meaning that neither bill would take effect unless both were enacted.

MCL 339.2512 and 2517

FISCAL IMPACT:

There is no fiscal impact on the State of Michigan or its local units of government.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.