

SENATE BILL REPORT

SB 5554

As of February 7, 1995

Title: An act relating to real estate brokerage relationships.

Brief Description: Regulating real estate brokerage relationships.

Sponsors: Senators Gaspard, Deccio, Pelz, Palmer, Wojahn, Hale, McAuliffe and Schow.

Brief History:

Committee Activity: Labor, Commerce & Trade: 2/9/95.

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Staff: Erika Lim (786-7488)

Background: Real estate licensees represent buyers, sellers, landlords and tenants in real estate transactions. The details and specifics of the relationship between a licensee and a principal (i.e., the buyer, seller, landlord, or tenant) can be unclear.

Summary of Bill: The duties and responsibilities owed by a real estate licensee to a principal or to another consumer are established. A licensee represents only the principal unless the parties agree otherwise in writing. A licensee is the buyer's or tenant's agent unless the parties agree otherwise in writing. A licensee must provide the principal with a copy of the statutory duties of a licensee.

The duties and responsibilities owed by a licensee to a principal are established and defined. A licensee may be a dual agent only if both parties consent in writing. A dual agent owes duties and obligations similar to those listed above to both principals.

A principal is not liable for an act, error, or omission of a licensee absent the principal's express consent to the act, error, or omission. A licensee is not liable for an act, error, or omission of a principal absent the licensee's knowledge of the act, error, or omission. Knowledge or notice will be imputed only in certain situations.

This act supersedes all case law establishing the duties and responsibilities owed by a licensee to a principal. The provisions of the act apply to relationships entered into after the effective date of the act.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on January 1, 1996.