

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 19-158—HB 7178 (VETOED)

Insurance and Real Estate Committee

**AN ACT CONCERNING DISCLOSURES BY REAL ESTATE BROKERS
AND SALESPERSONS**

SUMMARY: Beginning January 1, 2020, this act would have delayed the deadline by which a licensed real estate broker or salesperson acting as an agent for a seller or lessor in a residential real estate transaction must disclose whom he or she represents.

By law, these disclosures must (1) be made to any party that is not represented by another real estate broker or salesperson and (2) attached to any offer or agreement and signed by the prospective purchaser or lessee.

Under existing law, a broker or salesperson acting as an agent in a residential real estate (i.e., one- to four-family residential real property located in the state) transaction must disclose in writing whom he or she represents at the beginning of the first personal meeting about a (1) purchaser's or lessee's specific needs or (2) seller's or lessor's real property. The act would instead have delayed the time by which this disclosure had to be made to before a prospective purchaser or lessee signed the purchase contract or lease, respectively. (This would have mirrored existing law's representation disclosure requirements for commercial transactions.)

Additionally, the act would have removed this disclosure requirement for a broker or salesperson representing a prospective buyer or lessee in a residential or commercial real estate transaction. And it would have allowed, rather than required, the consumer protection commissioner to adopt implementing regulations for residential and commercial representation disclosures.

EFFECTIVE DATE: January 1, 2020