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HOUSE REPUBLICAN STAFF ANALYSIS

Bill: Senate File 460
Committee: Commerce
Floor Manager: Representative Tom Shaw
Date: July 14, 2011
Staff: Brad Trow (1-3471)

Real Estate Licensing Amendments

Senate File 460 proposes a series of amendments to state laws governing the licensing and discipline of real estate brokers.

Summary of Action

Senate Action – The Senate **ADOPTED** Senate File 460 on a vote of 50-0 on April 13, 2011.

Committee Action – The Commerce Committee **PASSED** Senate File 460 (House Study Bill 126) on a vote of 22-0 on February 23, 2011.

Further House Action – The House **ADOPTED** Senate File 460, as amended, on a vote of 93-1 on April 6, 2011.

Final Action – The Governor **SIGNED** Senate File 460 on April 19, 2011.

Section by Section Analysis

Section 1 – The section amends Iowa Code section 543B.29 (4) by increasing the time period under which a real estate broker or salesperson may be subject to license revocation. Current law has a license revoked if there are three violations in three years. Section one would lengthen the time period to five years.

Section 2 – The section amends Iowa Code section 543B.33, that requires a real estate broker to return a salesperson's license to the Real Estate Commission when the salesperson is discharged or terminated employment. Currently, the broker is required to send the license back by certified mail. The section would remove that requirement, allowing the broker to choose what method by which they return the license to the Commission.

Section 3 – The section amends Iowa Code section 543B.34 by removing the Real Estate Commission's discretion to issue a cease and desist order and to impose civil penalties when an unlicensed person acts as a real estate broker or salesperson. The section would require the Commission to act in those circumstances. This would not impact a person's ability to sell their own property.

Section 4 – The section provides intent language for 543B.56A, which governs brokerage agreements and their contents.