

HOUSE BILL NO. 102

INTRODUCED BY R. PINOCCI

BY REQUEST OF THE BOARD OF REALTY REGULATION

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING REGULATION OF REAL ESTATE TRANSACTIONS; PROVIDING AND CLARIFYING DEFINITIONS; CLARIFYING EXEMPTIONS FROM LICENSING PROVISIONS; REQUIRING A LICENSE TO CONDUCT REAL ESTATE BUSINESS IF THE REAL ESTATE IS LOCATED WITHIN THE STATE; REQUIRING A REAL ESTATE LICENSEE ACTING AS AN AGENT TO COMPLY WITH DISCLOSURE REQUIREMENTS; AMENDING SECTIONS 37-51-102, 37-51-103, 37-51-301, 37-51-306, 37-51-313, AND 37-51-602, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 37-51-102, MCA, is amended to read:

"37-51-102. Definitions. Unless the context requires otherwise, in this chapter, the following definitions apply:

(1) "Account" means the real estate recovery account established in 37-51-501.

(2) (a) "Adverse material fact" means a fact that should be recognized by a broker or salesperson as being of enough significance as to affect a person's decision to enter into a contract to buy or sell real property and may be a fact that:

(i) materially affects the value, affects structural integrity, or presents a documented health risk to occupants of the property; or

(ii) materially affects the buyer's ability or intent to perform the buyer's obligations under a proposed or existing contract.

(b) The term does not include the fact that an occupant of the property has or has had a communicable disease or that the property was the site of a suicide or felony.

(3) "Asset management" means management, oversight, or direct actions taken to maintain or transfer any real property before a foreclosure sale or in preparation for liquidation of real property owned by the client pursuant to a foreclosure sale. This includes any action taken to preserve, restore, or improve the value and to lessen the risk of damage to the property in preparation for liquidation of real property pursuant to a foreclosure

1 sale.

2 ~~(3)~~(4) "Board" means the board of realty regulation provided for in 2-15-1757.

3 ~~(4)~~(5) "Broker" includes an individual who:

4 (a) for another or for valuable consideration or who with the intent or expectation of receiving valuable
5 consideration negotiates or attempts to negotiate the listing, sale, purchase, rental, exchange, or lease of real
6 estate or of the improvements on real estate or collects rents or attempts to collect rents;

7 (b) is employed by or on behalf of the owner or lessor of real estate to conduct the sale, leasing,
8 subleasing, or other disposition of real estate for consideration;

9 (c) engages in the business of charging an advance fee or contracting for collection of a fee in
10 connection with a contract by which the individual undertakes primarily to promote the sale, lease, or other
11 disposition of real estate in this state through its listing in a publication issued primarily for this purpose or for
12 referral of information concerning real estate to brokers;

13 (d) makes the advertising, sale, lease, or other real estate information available by public display to
14 potential buyers ~~and who aids, attempts, or offers to aid, for a fee, any person in locating or obtaining any real~~
15 ~~estate for purchase or lease;~~

16 (e) aids or attempts or offers to aid, for a fee, any person in locating or obtaining any real estate for
17 purchase or lease;

18 (f) receives a fee, commission, or other compensation for referring to a licensed broker or salesperson
19 the name of a prospective buyer or seller of real property; ~~or~~

20 (g) performs asset management services for real property in conjunction with the marketing or transfer
21 of the property; or

22 ~~(g)~~(h) advertises or represents to the public that the individual is engaged in any of the activities referred
23 to in ~~subsections (4)(a) through (4)(f)~~ this subsection (5).

24 ~~(5)~~(6) "Buyer" means a person who is interested in acquiring an ownership interest in real property or
25 who has entered into an agreement to acquire an interest in real property. The term includes tenants or potential
26 tenants with respect to leases or rental agreements of real property.

27 ~~(6)~~(7) "Buyer agent" means a broker or salesperson who, pursuant to a written buyer broker agreement,
28 is acting as the agent of the buyer in a real estate transaction and includes a buyer subagent and an in-house
29 buyer agent designate.

30 ~~(7)~~(8) "Buyer broker agreement" means a written agreement in which a prospective buyer employs a

1 broker to locate real estate of the type and with terms and conditions as designated in the written agreement.

2 ~~(8)~~(9) "Buyer subagent" means a broker or salesperson who, pursuant to an offer of a subagency, acts
3 as the agent of a buyer.

4 ~~(9)~~(10) "Department" means the department of labor and industry provided for in Title 2, chapter 15, part
5 17.

6 ~~(10)~~(11) "Dual agent" means a broker or salesperson who, pursuant to a written listing agreement or
7 buyer broker agreement or as a buyer or seller subagent, acts as the agent of both the buyer and seller with
8 written authorization, as provided in 37-51-314. An in-house buyer or seller agent designate may not be
9 considered a dual agent.

10 ~~(11)~~(12) "Franchise agreement" means a contract or agreement by which:

11 (a) a franchisee is granted the right to engage in business under a marketing plan prescribed in
12 substantial part by the franchisor;

13 (b) the operation of the franchisee's business is substantially associated with the franchisor's trademark,
14 trade name, logotype, or other commercial symbol or advertising designating the franchisor; and

15 (c) the franchisee is required to pay, directly or indirectly, a fee for the right to operate under the
16 agreement.

17 ~~(12)~~(13) "In-house buyer agent designate" means a broker or salesperson employed by or associated
18 as an independent contractor with a broker and designated by the broker as the exclusive agent for a buyer for
19 a designated transaction and who may not be considered to be acting for other than the buyer with respect to the
20 designated transaction.

21 ~~(13)~~(14) "In-house seller agent designate" means a broker or salesperson employed by or associated
22 as an independent contractor with a broker and designated by the broker as the exclusive agent for a seller for
23 a designated transaction and who may not be considered to be acting for other than the seller with respect to the
24 designated transaction.

25 ~~(14)~~(15) "Listing agreement" means a written agreement between a seller and broker for the sale of real
26 estate, with the terms and conditions set out in the agreement.

27 ~~(15)~~(16) "Negotiations" ~~means~~ includes:

28 (a) efforts to act as an intermediary between parties to a real estate transaction;

29 (b) facilitating and participating in contract discussions;

30 (c) completing forms for offers, counteroffers, addendums, and other writings; and

- 1 (d) presenting offers and counteroffers.
- 2 ~~(16)~~(17) "Person" includes individuals, partnerships, associations, and corporations, foreign and
3 domestic, except that when referring to a person licensed under this chapter, it means an individual.
- 4 ~~(17)~~(18) "Property manager" ~~includes a person~~ means an individual who for a salary, commission, or
5 compensation of any kind or with the intent or expectation of receiving valuable consideration engages in the
6 business of leasing, renting, subleasing, or other transfer of possession of real estate located in this state and
7 belonging to others without transfer of the title to the property, pursuant to 37-51-601 and 37-51-602. The term
8 includes but is not limited to an individual who:
- 9 (a) is employed by or on behalf of the owner, lessor, or potential lessee of real estate to promote or
10 conduct the leasing, subleasing, or other disposition or acquisition of real estate without transfer of the title to the
11 property;
- 12 (b) negotiates or attempts to negotiate the lease of any real estate located in this state or of the
13 improvements on any real estate located in this state;
- 14 (c) engages in the business of promoting the lease, rental, exchange, or other disposition of real estate
15 located in this state without transfer of the title to the property through the listing of the real estate in a publication
16 issued primarily for this purpose;
- 17 (d) assists in creating or completing real estate lease contracts;
- 18 (e) procures tenants for owners of real estate located in this state;
- 19 (f) aids or offers to aid, for a fee, any person in locating or obtaining any real estate for lease in this state;
- 20 (g) makes the advertising of real property for lease available by public display to potential tenants;
- 21 (h) shows rental or lease properties to potential tenants;
- 22 (i) in conjunction with property management responsibilities, acts as a liaison between the owners of real
23 estate and a tenant or potential tenant;
- 24 (j) in conjunction with property management responsibilities, generally oversees the inspection,
25 maintenance, and upkeep of leased real estate belonging to others;
- 26 (k) in conjunction with property management responsibilities, collects rents or attempts to collect rents
27 for any real estate located in this state;
- 28 (l) pays a fee, commission, or other compensation to a licensed broker, salesperson, or property
29 manager for referral of the name of a prospective lessor or lessee of real property;
- 30 (m) receives a fee, commission, or other compensation from a licensed broker, salesperson, or property

1 manager for referring the name of a prospective buyer, seller, lessor, or lessee of real estate; or
 2 (n) advertises or represents to the public that the individual is engaged in any of the activities referred
 3 to in this subsection (18).

4 ~~(18)~~(19) "Real estate" includes leaseholds as well as any other interest or estate in land, whether
 5 corporeal, incorporeal, freehold, or nonfreehold and whether the real estate is situated in this state or elsewhere.

6 ~~(19)~~(20) "Real estate transaction" means the sale, exchange, or lease or grant of an option for the sale,
 7 exchange, or lease of an interest in real estate and includes all communication, interposition, advisement,
 8 negotiation, and contract development and closing.

9 ~~(20)~~(21) "Salesperson" includes an individual who for a salary, commission, or compensation of any kind
 10 is associated, either directly, indirectly, regularly, or occasionally, with a real estate broker to sell, purchase, or
 11 negotiate for the sale, purchase, exchange, or renting of real estate.

12 ~~(21)~~(22) "Seller" means a person who has entered into a listing agreement to sell real estate and includes
 13 landlords who have an interest in or are a party to a lease or rental agreement.

14 ~~(22)~~(23) "Seller agent" means a broker or salesperson who, pursuant to a written listing agreement, acts
 15 as the agent of a seller and includes a seller subagent and an in-house seller agent designate.

16 ~~(23)~~(24) "Seller subagent" means a broker or salesperson who, pursuant to an offer of a subagency, acts
 17 as the agent of a seller.

18 ~~(24)~~(25) (a) "Statutory broker" means a broker or salesperson who assists one or more parties to a real
 19 estate transaction without acting as an agent or representative of any party to the real estate transaction.

20 (b) A broker or salesperson is presumed to be acting as a statutory broker unless the broker or
 21 salesperson has entered into a listing agreement with a seller or a buyer broker agreement with a buyer or has
 22 disclosed, as required in this chapter, a relationship other than that of a statutory broker.

23 ~~(25)~~(26) "Supervising broker" means a licensed broker with whom a licensed salesperson is associated,
 24 directly, indirectly, regularly, or occasionally, to sell, purchase, or negotiate for the sale, purchase, exchange, or
 25 renting of real estate.

26 ~~(26)~~(27) "Supervising broker endorsement" means an endorsement to a broker's license that is required
 27 of any licensed broker who supervises licensed salespersons performing real estate activity."
 28

29 **Section 2.** Section 37-51-103, MCA, is amended to read:

30 **"37-51-103. Exemptions.** (1) An act performed for compensation of any kind in the buying, selling,

1 exchanging, leasing, or renting of real estate or in negotiating a real estate transaction for others, except as
2 specified in this section, must identify the person performing any of the acts as a real estate broker, ~~or a real~~
3 estate salesperson, or a property manager. The licensing provisions of this chapter do not:

4 (a) apply to any person who, as owner or lessor, performs any acts listed in subsection (1) with reference
5 to property owned or leased by the person or to an auctioneer employed by the owner or lessor to aid and assist
6 in conducting a public sale held by the owner or lessor;

7 (b) apply to any person acting as attorney-in-fact under a special or general power of attorney from the
8 owner of any real estate authorizing the purchase, sale, exchange, renting, or leasing of any real estate, unless
9 the person acting as attorney-in-fact does so regularly or consistently for a person or persons, for or with the
10 expectation of receiving a fee, commission, or other valuable consideration in conjunction with a business or for
11 the purpose of avoiding license requirements;

12 (c) include in any way the services rendered by any attorney at law in the performance of the attorney's
13 duties;

14 (d) apply to any person appointed by a court for the purpose of evaluating or appraising an estate in a
15 probate matter;

16 (e) include a receiver, a trustee in bankruptcy, an administrator or executor, any person selling real
17 estate under order of any court, a trustee under a trust agreement, deed of trust, or will, or an auctioneer
18 employed by a receiver, trustee in bankruptcy, administrator, executor, or trustee to aid and assist in conducting
19 a public sale held by the officer;

20 (f) apply to public officials in the conduct of their official duties;

21 (g) apply to any person, partnership, association, or corporation, foreign or domestic, performing any
22 act with respect to prospecting, leasing, drilling, or operating land for hydrocarbons and hard minerals or
23 disposing of any hydrocarbons, hard minerals, or mining rights, whether upon a royalty basis or otherwise;

24 (h) apply to persons acting as managers of housing complexes for low-income persons, which are
25 subsidized, directly or indirectly, by Montana or an agency or subdivision of Montana or by the government of the
26 United States or an agency of the United States; or

27 (i) apply to a person performing any act with respect to the following types of land transactions:

28 (i) right-of-way transfers for roads, utilities, and other public purposes, not including conservation
29 easements or easements for recreational purposes;

30 (ii) condemnations; or

1 (iii) governmental or tribal permits.

2 (2) The provisions of this chapter do not apply to a newspaper or other publication of general circulation
3 or to a radio or television station engaged in the normal course of business."

4

5 **Section 3.** Section 37-51-301, MCA, is amended to read:

6 **"37-51-301. License required -- limited to persons.** (1) It is unlawful for a person to engage in or
7 conduct, directly or indirectly, or to advertise or represent to the public as engaging in or conducting the business
8 or acting in the capacity of a real estate broker or a real estate salesperson within this state without a license as
9 a broker or salesperson or otherwise complying with this chapter.

10 (2) It is unlawful for a person to supervise licensed salespersons or to act in the capacity of a supervising
11 broker unless the person has a valid and active Montana broker's license and a supervising broker endorsement.

12 (3) Corporations, partnerships, and associations may not be licensed under this chapter. A corporation
13 or a partnership may act as a licensee if every corporate officer and every partner performing the functions of a
14 licensee is licensed under this chapter. All officers of a corporation or all members of a partnership acting as a
15 licensee are in violation of this chapter unless there is full compliance with this subsection.

16 (4) (a) For purposes of this section and whether or not the actor is physically located in Montana, "within
17 this state" or similar terminology includes:

18 (i) marketing or dealing with any interest in real estate or a business opportunity involving an interest in
19 real estate that is situated in the state of Montana; or

20 (ii) conducting or attempting to conduct or solicit real estate business with residents of the state of
21 Montana.

22 (b) Unless exempted from this chapter, any single act described within the definitions of "broker" or
23 "salesperson" is sufficient to constitute engaging in the business of a real estate broker or salesperson."

24

25 **Section 4.** Section 37-51-306, MCA, is amended to read:

26 **"37-51-306. Transactions with nonresidents and with nonlicensed brokers, or salespersons, or**
27 **property managers -- consent to legal process.** (1) A licensed broker may not employ or compensate, directly
28 or indirectly, a person for performing the acts regulated by this chapter who is not a licensed broker, ~~or a~~ licensed
29 salesperson, or a licensed property manager. However, a licensed broker may pay a commission to a licensed
30 broker of another state or jurisdiction if the nonresident broker has not conducted and does not conduct in this

1 state a service for which a fee, compensation, or commission is paid.

2 (2) A nonresident licensee shall file an irrevocable written consent that legal actions arising out of a
3 commenced or completed transaction may be commenced against the nonresident licensee in a county of this
4 state that may be appropriate and designated by Title 25, chapter 2, part 1. The consent must provide that service
5 of summons in this action may be served on the department for and on behalf of the nonresident licensee, and
6 this service is sufficient to give the court jurisdiction over the licensee conducting a transaction in a county. The
7 consent must be acknowledged and, if made by a corporation, must be authenticated by its seal."

8

9 **Section 5.** Section 37-51-313, MCA, is amended to read:

10 **"37-51-313. Duties, duration, and termination of relationship between broker or salesperson and**
11 **buyer or seller.** (1) The provisions of this chapter and the duties described in this section govern the
12 relationships between brokers or salespersons and buyers or sellers and are intended to replace the duties of
13 agents as provided elsewhere in state law and replace the common law as applied to these relationships. The
14 terms "buyer agent", "dual agent" and "seller agent", as used in this chapter, are defined in 37-51-102 and are
15 not related to the term "agent" as used elsewhere in state law. The duties of a broker or salesperson vary
16 depending upon the relationship with a party to a real estate transaction and are as provided in this section.

17 (2) A seller agent is obligated to the seller to:

18 (a) act solely in the best interests of the seller, except that a seller agent, after written disclosure to the
19 seller and with the seller's written consent, may represent multiple sellers of property or list properties for sale
20 that may compete with the seller's property without breaching any obligation to the seller;

21 (b) obey promptly and efficiently all lawful instructions of the seller;

22 (c) disclose all relevant and material information that concerns the real estate transaction and that is
23 known to the seller agent and not known or discoverable by the seller, unless the information is subject to
24 confidentiality arising from a prior or existing agency relationship on the part of the seller agent with a buyer or
25 another seller;

26 (d) safeguard the seller's confidences;

27 (e) exercise reasonable care, skill, and diligence in pursuing the seller's objectives and in complying with
28 the terms established in the listing agreement;

29 (f) fully account to the seller for any funds or property of the seller that comes into the seller agent's
30 possession; and

- 1 (g) comply with all applicable federal and state laws, rules, and regulations.
- 2 (3) A seller agent is obligated to the buyer to:
- 3 (a) disclose to a buyer or the buyer agent any adverse material facts that concern the property and that
4 are known to the seller agent, except that the seller agent is not required to inspect the property or verify any
5 statements made by the seller;
- 6 (b) disclose to a buyer or the buyer agent when the seller agent has no personal knowledge of the
7 veracity of information regarding adverse material facts that concern the property;
- 8 (c) act in good faith with a buyer and a buyer agent; and
- 9 (d) comply with all applicable federal and state laws, rules, and regulations.
- 10 (4) A buyer agent is obligated to the buyer to:
- 11 (a) act solely in the best interests of the buyer, except that a buyer agent, after written disclosure to the
12 buyer and with the buyer's written consent, may represent multiple buyers interested in buying the same property
13 or properties similar to the property in which the buyer is interested or show properties in which the buyer is
14 interested to other prospective buyers without breaching any obligation to the buyer;
- 15 (b) obey promptly and efficiently all lawful instructions of the buyer;
- 16 (c) disclose all relevant and material information that concerns the real estate transaction and that is
17 known to the buyer agent and not known or discoverable by the buyer, unless the information is subject to
18 confidentiality arising from a prior or existing agency relationship on the part of the buyer agent with another buyer
19 or a seller;
- 20 (d) safeguard the buyer's confidences;
- 21 (e) exercise reasonable care, skill, and diligence in pursuing the buyer's objectives and in complying with
22 the terms established in the buyer broker agreement;
- 23 (f) fully account to the buyer for any funds or property of the buyer that comes into the buyer agent's
24 possession; and
- 25 (g) comply with all applicable federal and state laws, rules, and regulations.
- 26 (5) A buyer agent is obligated to the seller to:
- 27 (a) disclose any adverse material facts that are known to the buyer agent and that concern the ability
28 of the buyer to perform on any purchase offer;
- 29 (b) disclose to the seller or the seller agent when the buyer agent has no personal knowledge of the
30 veracity of information regarding adverse material facts that concern the property;

- 1 (c) act in good faith with a seller and a seller agent; and
- 2 (d) comply with all applicable federal and state laws, rules, and regulations.
- 3 (6) A statutory broker is not the agent of the buyer or seller but nevertheless is obligated to them to:
- 4 (a) disclose to:
- 5 (i) a buyer or a buyer agent any adverse material facts that concern the property and that are known to
- 6 the statutory broker, except that the statutory broker is not required to inspect the property or verify any
- 7 statements made by the seller;
- 8 (ii) a seller or a seller agent any adverse material facts that are known to the statutory broker and that
- 9 concern the ability of the buyer to perform on any purchase offer;
- 10 (b) exercise reasonable care, skill, and diligence in putting together a real estate transaction; and
- 11 (c) comply with all applicable federal and state laws, rules, and regulations.
- 12 (7) A dual agent is obligated to a seller in the same manner as a seller agent and is obligated to a buyer
- 13 in the same manner as a buyer agent under this section except that a dual agent has a duty to disclose to a buyer
- 14 or seller any adverse material facts that are known to the dual agent, regardless of any confidentiality
- 15 considerations.
- 16 (8) A dual agent may not disclose the following information without the written consent of the person to
- 17 whom the information is confidential:
- 18 (a) the fact that the buyer is willing to pay more than the offered purchase price;
- 19 (b) the fact that the seller is willing to accept less than the purchase price that the seller is asking for the
- 20 property;
- 21 (c) factors motivating either party to buy or sell; and
- 22 (d) any information that a party indicates in writing to the dual agent is to be kept confidential.
- 23 (9) While managing properties for owners, a licensed real estate broker or licensed real estate
- 24 salesperson is only required to meet the requirements of part 6 of this chapter, other than those requirements
- 25 for the licensing of property managers, and the rules adopted by the board to govern licensed property managers.
- 26 (10) A licensed broker or salesperson must obtain an appropriate written agency agreement prior to
- 27 performing the acts of an agent. A licensed broker or salesperson who is acting as an agent without a written
- 28 agency agreement is nevertheless obligated to comply with the requirements of this chapter.
- 29 ~~(10)~~(11) (a) The agency relationship of a buyer agent, seller agent, or dual agent continues until the
- 30 earliest of the following dates:

- 1 (i) completion of performance by the agent;
- 2 (ii) the expiration date agreed to in the listing agreement or buyer broker agreement; or
- 3 (iii) the occurrence of any authorized termination of the listing agreement or buyer broker agreement.
- 4 (b) A statutory broker's relationship continues until the completion, termination, or abandonment of the
- 5 real estate transaction giving rise to the relationship.

6 ~~(11)~~(12) Upon termination of an agency relationship, a broker or salesperson does not have any further

7 duties to the principal, except as follows:

- 8 (a) to account for all money and property of the principal;
- 9 (b) to keep confidential all information received during the course of the agency relationship that was
- 10 made confidential at the principal's direction, except for:
- 11 (i) subsequent conduct by the principal that authorizes disclosure;
- 12 (ii) disclosure of any adverse material facts that concern the principal's property or the ability of the
- 13 principal to perform on any purchase offer;
- 14 (iii) disclosure required by law or to prevent the commission of a crime;
- 15 (iv) the information being disclosed by someone other than the broker or salesperson; and
- 16 (v) the disclosure of the information being reasonably necessary to defend the conduct of the broker or
- 17 salesperson, including employees, independent contractors, and subagents.

18 ~~(12)~~(13) Consistent with the licensee's duties as a buyer agent, a seller agent, a dual agent, or a statutory

19 broker, a licensee shall endeavor to ascertain all pertinent facts concerning each property in any transaction in

20 which the licensee acts so that the licensee may fulfill the obligation to avoid error, exaggeration,

21 misrepresentation, or concealment of pertinent facts."

22

23 **Section 6.** Section 37-51-602, MCA, is amended to read:

24 "**37-51-602. Definition of property management -- exemptions from application Exemptions from**

25 **requirement of property manager license.** (1) ~~An act performed for compensation of any kind in the leasing,~~

26 ~~renting, subleasing, or other transfer of possession of real estate owned by another without transfer of the title~~

27 ~~to the real estate, except as specified in this section, constitutes the practice of property management. The~~

28 property manager licensing provisions of this chapter do not apply to:

- 29 (a) a relative of the owner of the real estate, defined as follows:
- 30 (i) a son or daughter of the property owner or a descendant of either;

- 1 (ii) a stepson or stepdaughter of the property owner;
- 2 (iii) a brother, sister, stepbrother, or stepsister of the property owner;
- 3 (iv) the father or mother of the property owner or the ancestor of either;
- 4 (v) a stepfather or stepmother of the property owner;
- 5 (vi) a son or daughter of a brother or sister of the property owner;
- 6 (vii) a brother or sister of the father or mother of the property owner;
- 7 (viii) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the
- 8 property owner; or
- 9 (ix) the spouse of the property owner;
- 10 (b) a person who leases no more than four residential real estate units;
- 11 (c) a person acting as attorney-in-fact under a power of attorney from the owner of real estate who
- 12 authorizes the final consummation of any contract for the renting or leasing of the real estate. This exemption is
- 13 meant to exclude a single or irregular transaction and may not be routinely used to escape the necessity of
- 14 obtaining a license.
- 15 (d) an attorney at law in the performance of duties as an attorney;
- 16 (e) a receiver, trustee in bankruptcy, personal representative, person acting in regard to real estate
- 17 pursuant to a court order, or a trustee under a trust agreement, deed of trust, or will;
- 18 (f) an officer of the state or any of its political subdivisions in the conduct of official duties;
- 19 (g) a person acting as a manager of a housing complex for low-income individuals subsidized either
- 20 directly or indirectly by the state, any agency or political subdivision of the state, or the government or an agency
- 21 of the United States;
- 22 (h) a person who receives compensation from the owner of the real estate in the form of reduced rent
- 23 or salary, unless that person holds signatory authority on the account in which revenue from the real estate is
- 24 deposited or disbursed;
- 25 (i) a person employed by the owner of the real estate if that person's property management duties are
- 26 incidental to the person's other employment-related duties; or
- 27 (j) a person employed on a salaried basis by only one person.
- 28 (2) A licensed real estate broker on active status or a licensed real estate salesperson on active status
- 29 and acting under a supervising broker may act as a property manager without meeting any qualifications in
- 30 addition to those required for licensure as a real estate broker or real estate salesperson and without holding a

1 separate property manager's license."

2

3 NEW SECTION. **Section 7. Severability.** If a part of [this act] is invalid, all valid parts that are severable
4 from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part
5 remains in effect in all valid applications that are severable from the invalid applications.

6

7 NEW SECTION. **Section 8. Effective date.** [This act] is effective on passage and approval.

8

- END -