



CHESTER J. CULVER  
GOVERNOR

## OFFICE OF THE GOVERNOR

PATTY JUDGE  
LT. GOVERNOR

March 9, 2007

The Honorable Michael Mauro  
Secretary of State  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

**House File 400**, an act authorizing the formation of a professional corporation or a professional corporation a professional limited liability company by licensed real estate brokers.

The above House File is hereby approved this date.

Sincerely,

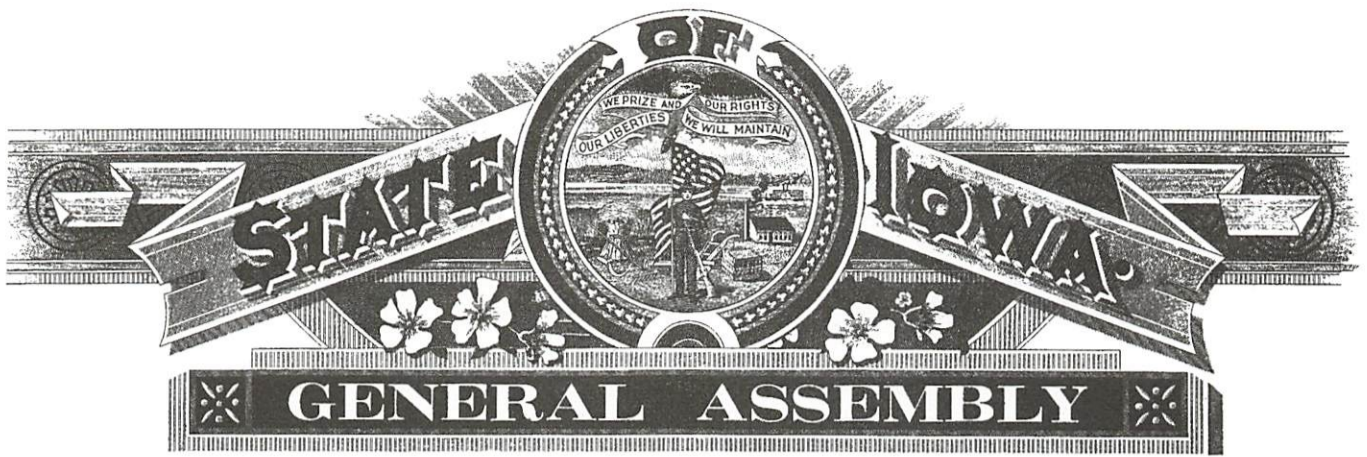
A handwritten signature in blue ink, appearing to read "Chester J. Culver".

Chester J. Culver  
Governor

CJC:bdj

cc: Secretary of the Senate  
Chief Clerk of the House





HOUSE FILE 400

AN ACT

AUTHORIZING THE FORMATION OF A PROFESSIONAL CORPORATION OR  
A PROFESSIONAL LIMITED LIABILITY COMPANY BY LICENSED REAL  
ESTATE BROKERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 490A.1501, subsection 4, Code 2007, is amended to read as follows:

4. "Profession" means the profession of certified public accountancy, architecture, chiropractic, dentistry, physical therapy, psychology, professional engineering, land surveying, landscape architecture, law, medicine and surgery, optometry, osteopathy, osteopathic medicine and surgery, accounting practitioner, podiatry, real estate brokerage, speech pathology, audiology, veterinary medicine, pharmacy, nursing, and marriage and family therapy, provided that the marriage and family therapist is licensed under chapters 147 and 154D.

Sec. 2. Section 496C.2, subsection 4, Code 2007, is amended to read as follows:

4. "Profession" means the profession of certified public accountancy, architecture, chiropractic, dentistry, physical therapy, psychology, professional engineering, land surveying, landscape architecture, law, medicine and surgery, optometry, osteopathy, osteopathic medicine and surgery, accounting practitioner, podiatry, real estate brokerage, speech pathology, audiology, veterinary medicine, pharmacy and the practice of nursing.

Sec. 3. Section 543B.2, Code 2007, is amended to read as follows:



543B.2 INDIVIDUAL LICENSES NECESSARY.

A partnership, association, or corporation, professional corporation, or professional limited liability company shall not be granted a license, unless every member or officer of the partnership, association, or corporation, professional corporation, or professional limited liability company who actively participates in the brokerage business of the partnership, association, or corporation, professional corporation, or professional limited liability company holds a license as a real estate broker or salesperson, and unless every employee who acts as a salesperson for the partnership, association, or corporation, professional corporation, or professional limited liability company holds a license as a real estate broker or salesperson. At least one member or officer of each partnership, association, or corporation, professional corporation, or professional limited liability company shall be a real estate broker.

Sec. 4. Section 543B.5, subsection 18, Code 2007, is amended to read as follows:

18. "Person" means an individual, partnership, association, or corporation, professional corporation, or professional limited liability company.

Sec. 5. Section 543B.31, Code 2007, is amended to read as follows:

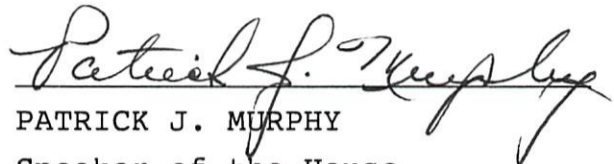
543B.31 PLACE OF BUSINESS.


Every real estate broker, except as provided in section 543B.22, shall maintain a place of business in this state. If the real estate broker maintains more than one place of business within the state, a duplicate license shall be issued to such broker for each branch office maintained. Provided, that if such broker be a copartnership, association, or corporation, professional corporation, or professional limited liability company a duplicate shall be issued to the members or officers thereof, and a fee determined by the real estate commission in each case shall be paid for each duplicate license.

Sec. 6. Section 543B.46, subsection 6, Code 2007, is amended to read as follows:

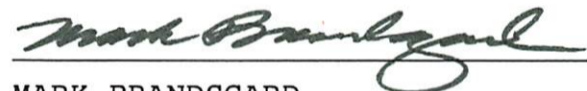
6. The commission shall verify on a test basis, a random sampling of the brokers, corporations, professional

corporations, professional limited liability companies, and partnerships for their trust account compliance. The commission may upon reasonable cause, or as a part of or after an investigation, request or order a special report.

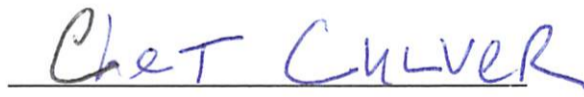
  
PATRICK J. MURPHY  
Speaker of the House

  
JOHN P. KIBBIE  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 400, Eighty-second General Assembly.

  
MARK BRANDSGARD  
Chief Clerk of the House

Approved March 9th, 2007

  
CHESTER J. CULVER  
Governor