

House File 2326 - Enrolled

House File 2326

AN ACT

RELATING TO REAL ESTATE BROKERS, THE RENTAL OR LEASING OF REAL ESTATE, AND BROKERAGE AGREEMENTS, AND INCLUDING EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

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

DIVISION I

REAL ESTATE BROKERS AND THE RENTAL OR LEASING OF REAL ESTATE

Section 1. Section 543B.3, unnumbered paragraph 1, Code 2024, is amended to read as follows:

As used in [this chapter](#), “*real estate broker*” means a person acting for another for a fee, commission, or other compensation or promise, whether it be for all or part of a person’s time, and who engages ~~directly or indirectly~~ in any of the following acts:

Sec. 2. NEW SECTION. 543B.7A Exclusions — rental or leasing on behalf of another.

This chapter shall not apply to any of the following:

1. A person, limited liability company, or limited partnership who engages in any act under section 543B.3 that is related to the rental or leasing of real estate on behalf of a partnership, limited partnership, corporation, or limited liability company, and the person, limited liability company, or limited partnership maintains an ownership interest in the partnership, limited partnership, corporation, or limited liability company.

2. A person who engages in any act under section 543B.3 that is related to the rental or leasing of real estate on behalf of a partnership, limited partnership, corporation, or limited liability company, and the person has an ownership interest in the partnership, limited partnership, corporation, or limited liability company, which is a parent or subsidiary of, or under common control with the leasing partnership, limited partnership, corporation, or limited liability company.

3. A person who is a nonlicensed employee of a real estate broker and who engages in advertising, showing, listing, collection of rents and deposits, procuring of prospects, completing form agreements, and executing form agreements as it relates to the rental of real estate under chapter 562A or 562B.

Sec. 3. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 4. RETROACTIVE APPLICABILITY. This division of this Act applies to proceedings before the real estate commission created in section 543B.8, other administrative proceedings before a state agency or department, and judicial proceedings before a court, that are not finally adjudicated or are otherwise pending on the effective date of this Act, except to the extent such application would affect a person's contractual or vested rights.

DIVISION II

REAL ESTATE BROKERS AND BROKERAGE AGREEMENTS

Sec. 5. Section 543B.56A, subsection 2, paragraph e, if enacted by 2024 Iowa Acts, Senate File 2291, section 7, is amended to read as follows:

e. Review the broker's compensation under the brokerage agreement and conspicuously display a statement that the broker's compensation, fees, and commission are negotiable and not established by law.

Sec. 6. Section 543B.56A, subsection 3, if enacted by 2024 Iowa Acts, Senate File 2291, section 8, is amended to read as follows:

3. A brokerage agreement must be signed by both the broker and the client prior to the broker listing any property for sale on behalf of a seller, or before showing a property to a buyer, or if no property is shown to a buyer, before making

an offer on a property on behalf of a buyer. This subsection shall not apply to customers attending an open house.

Sec. 7. Section 543B.57, subsection 5, Code 2024, is amended to read as follows:

5. The seller, in the listing agreement, may authorize the seller's licensee to disburse part of the licensee's compensation to other licensees, including a buyer's licensee solely representing the buyer. A seller may authorize a portion of the proceeds from the sale of real property, or from another source, to pay a buyer's licensee compensation. A licensee representing a buyer shall inform the listing licensee, if there is a listing licensee, either verbally or in writing, of the agency relationship before any negotiations are initiated. The obligation of either the seller or the buyer to pay compensation to a licensee is not determinative of the agency relationship.

PAT GRASSLEY
Speaker of the House

AMY SINCLAIR
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2326, Ninetieth General Assembly.

MEGHAN NELSON
Chief Clerk of the House

Approved _____, 2024

KIM REYNOLDS
Governor