

Senate Study Bill 1174

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CHAIRPERSON WARNSTADT)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act authorizing the formation of a professional corporation or
2 a professional limited liability company by licensed real
3 estate brokers.

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

5 TLSB 2159SC 82

6 rn/es/88

PAG LIN

1 1 Section 1. Section 490A.1501, subsection 4, Code 2007, is
1 2 amended to read as follows:

1 3 4. "Profession" means the profession of certified public
1 4 accountancy, architecture, chiropractic, dentistry, physical
1 5 therapy, psychology, professional engineering, land surveying,
1 6 landscape architecture, law, medicine and surgery, optometry,
1 7 osteopathy, osteopathic medicine and surgery, accounting
1 8 practitioner, podiatry, real estate brokerage, speech
1 9 pathology, audiology, veterinary medicine, pharmacy, nursing,
1 10 and marriage and family therapy, provided that the marriage
1 11 and family therapist is licensed under chapters 147 and 154D.

1 12 Sec. 2. Section 496C.2, subsection 4, Code 2007, is
1 13 amended to read as follows:

1 14 4. "Profession" means the profession of certified public
1 15 accountancy, architecture, chiropractic, dentistry, physical
1 16 therapy, psychology, professional engineering, land surveying,
1 17 landscape architecture, law, medicine and surgery, optometry,
1 18 osteopathy, osteopathic medicine and surgery, accounting
1 19 practitioner, podiatry, real estate brokerage, speech
1 20 pathology, audiology, veterinary medicine, pharmacy and the
1 21 practice of nursing.

1 22 Sec. 3. Section 543B.2, Code 2007, is amended to read as
1 23 follows:

1 24 543B.2 INDIVIDUAL LICENSES NECESSARY.

1 25 A partnership, association, ~~or~~ corporation, professional
1 26 corporation, or professional limited liability company shall
1 27 not be granted a license, unless every member or officer of
1 28 the partnership, association, ~~or~~ corporation, professional
1 29 corporation, or professional limited liability company who
1 30 actively participates in the brokerage business of the
1 31 partnership, association, ~~or~~ corporation, professional
1 32 corporation, or limited liability company holds a license as a
1 33 real estate broker or salesperson, and unless every employee
1 34 who acts as a salesperson for the partnership, association, ~~or~~
1 35 corporation, professional corporation, or professional limited
2 1 liability company holds a license as a real estate broker or
2 2 salesperson. At least one member or officer of each
2 3 partnership, association, ~~or~~ corporation, professional
2 4 corporation, or professional limited liability company shall
2 5 be a real estate broker.

2 6 Sec. 4. Section 543B.5, subsection 18, Code 2007, is
2 7 amended to read as follows:

2 8 18. "Person" means an individual, partnership,
2 9 association, ~~or~~ corporation, professional corporation, or
2 10 professional limited liability company.

2 11 Sec. 5. Section 543B.31, Code 2007, is amended to read as
2 12 follows:

2 13 543B.31 PLACE OF BUSINESS.

2 14 Every real estate broker, except as provided in section
2 15 543B.22, shall maintain a place of business in this state. If
2 16 the real estate broker maintains more than one place of
2 17 business within the state, a duplicate license shall be issued

2 18 to such broker for each branch office maintained. Provided,
2 19 that if such broker be a copartnership, association, ~~or~~
2 20 corporation, professional corporation, or professional limited
2 21 liability company a duplicate shall be issued to the members
2 22 or officers thereof, and a fee determined by the real estate
2 23 commission in each case shall be paid for each duplicate
2 24 license.

2 25 Sec. 6. Section 543B.46, subsection 6, Code 2007, is
2 26 amended to read as follows:

2 27 6. The commission shall verify on a test basis, a random
2 28 sampling of the brokers, corporations, professional
2 29 corporations, professional limited liability companies, and
2 30 partnerships for their trust account compliance. The
2 31 commission may upon reasonable cause, or as a part of or after
2 32 an investigation, request or order a special report.

2 33 EXPLANATION

2 34 This bill provides for the inclusion of real estate brokers
2 35 in the list of professions authorized to form a professional
3 1 limited liability company in Code section 490A.1501 and a
3 2 professional corporation in Code section 496C.2. The bill
3 3 makes conforming changes to Code chapter 543B, which provides
3 4 for the licensing of real estate brokers.

3 5 LSB 2159SC 82

3 6 rn:nh/es/88