

House Study Bill 595 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON BLOOMINGDALE)

A BILL FOR

1 An Act relating to real estate brokers, and the rental or
2 leasing of real estate, and including effective date and
3 applicability provisions.

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

1 Section 1. Section 543B.3, unnumbered paragraph 1, Code
2 2024, is amended to read as follows:

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

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

10 This chapter shall not apply to any of the following:

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

19 2. A person who engages in any act under section 543B.3 that
20 is related to the rental or leasing of real estate on behalf
21 of a partnership, limited partnership, corporation, or limited
22 liability company, and the person is an owner of a partnership,
23 limited partnership, corporation, or limited liability company,
24 which is a parent or subsidiary of, or under common control
25 with the leasing partnership, limited partnership, corporation,
26 or limited liability company.

27 3. A person who is a nonlicensed employee of a real estate
28 broker and who engages in advertising, showing, listing,
29 collection of rents and deposits, procuring of prospects,
30 completing form agreements, and executing form agreements as it
31 relates to the rental, leasing, or property management of real
32 estate.

33 Sec. 3. **EFFECTIVE DATE.** This Act, being deemed of immediate
34 importance, takes effect upon enactment.

35 Sec. 4. **RETROACTIVE APPLICABILITY.** This Act applies to

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

8

EXPLANATION

9 The inclusion of this explanation does not constitute agreement with
10 the explanation's substance by the members of the general assembly.

11 This bill relates to real estate brokers, and the rental or
12 leasing of real estate.

13 Under current law, a real estate broker is defined as a
14 person acting for another for a fee, commission, or other
15 compensation or promise, who engages directly or indirectly in
16 the acts enumerated in the bill. Under the bill, a real estate
17 broker is defined as a person acting for another for a fee,
18 commission, or other compensation or promise, who engages in
19 the acts enumerated in the bill.

20 The bill creates an exception to Code chapter 543B for a
21 person, limited liability company, or limited partnership who
22 engages in any act that is related to the rental or leasing of
23 real estate on behalf of a partnership, limited partnership,
24 corporation, or limited liability company, and the person,
25 limited liability company, or limited partnership maintains an
26 ownership interest in the partnership, limited partnership,
27 corporation, or limited liability company. The bill creates
28 an exception to Code chapter 543B for a person who engages
29 in an act related to the rental or leasing of real estate on
30 behalf of a partnership, limited partnership, corporation,
31 or limited liability company, and the person is an owner of
32 a partnership, limited partnership, corporation, or limited
33 liability company, which is a parent or subsidiary of, or
34 under common control with the leasing partnership, limited
35 partnership, corporation, or limited liability company. The

1 bill also creates an exception to the Code chapter for a person
2 who is a nonlicensed employee of a real estate broker and
3 who engages in advertising, showing, listing, collecting of
4 rents and deposits, procuring of prospects, completing form
5 agreements, and executing form agreements as it relates to the
6 rental, leasing, or property management of real estate.

7 The bill takes effect upon enactment.

8 The bill applies to all proceedings that are not finally
9 adjudicated or are otherwise pending on the effective date of
10 the bill, except to the extent such application would affect a
11 person's contractual or vested rights.