

Senate File 536 - Introduced

SENATE FILE 536
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1172)

A BILL FOR

1 An Act relating to real estate licensee liability.

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

1 Section 1. Section 543B.62, Code 2023, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 4. *a.* A licensee providing brokerage
4 services to a client shall not be in possession of the client's
5 real estate. A licensee may enter upon the premises of a
6 client's real estate to fulfill the licensee's obligations
7 pursuant to section 543B.3, section 543B.6, or pursuant to a
8 written agreement between the licensee and the client.

9 *b.* A licensee has no duty of care with regard to a client's
10 real estate or with regard to a person entering, viewing, or
11 traversing upon the premises of a client's real estate other
12 than to fulfill the licensee's obligations pursuant to section
13 543B.3, section 543B.6, or pursuant to a written agreement
14 between the licensee and the client.

15 *c.* A licensee providing brokerage services to a client shall
16 not be liable for damage to the client's real estate or for
17 any physical injury, accident, or harm to a person entering,
18 viewing, or traversing upon the premises of a client's real
19 estate unless the licensee is the direct and proximate cause of
20 the damage, injury, accident, or harm.

21 *d.* A client shall be responsible for the care, maintenance,
22 repair, condition, and safety of the client's real estate that
23 is being offered to sell, exchange, buy, or rent to a person.

24 EXPLANATION

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

27 This bill relates to real estate licensee liability.

28 The bill prohibits a licensee providing brokerage services
29 to a client from being in possession of the client's real
30 estate. The bill provides that a licensee may enter upon the
31 premises of a client's real estate to fulfill the licensee's
32 obligations pursuant to Code section 543B.3, relating to broker
33 activities, and Code section 543B.6, relating to real estate
34 acts, or pursuant to a written agreement.

35 The bill provides that a licensee also has no duty of care

1 concerning a client's real estate with regard to a person
2 entering, viewing, or traversing upon the premises of the real
3 estate except to fulfill the licensee's obligations pursuant to
4 Code sections 543B.3 and 543B.6.

5 The bill provides that a licensee providing brokerage
6 services shall generally not be liable for damage to a client's
7 real estate or a person harmed on or viewing the real estate
8 except where the licensee is the direct and proximate cause of
9 the damage, injury, accident, or harm.

10 The bill provides that a client shall be responsible for the
11 care, maintenance, and safety of the client's real estate that
12 is being offered on the market.