

FEB 22 2005  
Place On Calendar

HOUSE FILE 375  
BY COMMITTEE ON COMMERCE,  
REGULATION AND LABOR

(SUCCESSOR TO HSB 159)

Passed House, Date 3-2-05 Passed Senate, Date 4-12-05  
Vote: Ayes 100 Nays 0 Vote: Ayes 50 Nays 0  
Approved 4-19-05

**A BILL FOR**

1 An Act relating to the duties imposed on a real estate broker by  
2 a brokerage agreement.

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

HF 375

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1 Section 1. Section 543B.5, subsection 7, Code 2005, is  
2 amended to read as follows:

3 7. "Brokerage agreement" means a contract between a broker  
4 and a client which establishes the relationship between the  
5 parties as to the brokerage services to be performed and  
6 contains the provisions required in section 543B.56A.

7 Sec. 2. NEW SECTION. 543B.56A BROKERAGE AGREEMENTS --  
8 CONTENTS.

9 A brokerage agreement shall specify that the broker shall,  
10 at a minimum, do all of the following:

11 1. Accept delivery of and present to the client offers and  
12 counteroffers to buy, sell, rent, lease, or exchange the  
13 client's property or the property the client seeks to purchase  
14 or lease.

15 2. Assist the client in developing, communicating,  
16 negotiating, and presenting offers or counteroffers until a  
17 rental agreement, lease, exchange agreement, offer to buy or  
18 sell, or purchase agreement is signed and all contingencies  
19 are satisfied or waived and the transaction is completed.

20 3. Answer the client's questions relating to the brokerage  
21 agreements, listing agreements, offers, counteroffers,  
22 notices, and contingencies.

23 4. Provide prospective buyers access to listed properties.

24 EXPLANATION

25 This bill adds four specific requirements for a contract  
26 entered into between a real estate broker and a client. The  
27 current statutory provisions do not require any specific  
28 duties of the broker to be contained in the brokerage  
29 agreement. The bill requires the broker to accept and deliver  
30 to the client all offers and counteroffers, assist the client  
31 in communicating and negotiating the transaction, answer all  
32 of the client's questions relating to the transaction, and  
33 provide access to the property to prospective buyers.

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SODERBERG, CH.

JACOBS  
JACOBY

HSB 159  
COMMERCE, REGULATION & LABOR

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
COMMERCE, REGULATION  
AND LABOR BILL BY  
CHAIRPERSON JENKINS)

Succeeded  
SF 375

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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3. Answer the client's questions relating to the brokerage agreements, listing agreements, offers, counteroffers, notices, and contingencies.
4. Provide prospective buyers access to listed properties.

HOUSE FILE 375

AN ACT  
RELATING TO THE DUTIES IMPOSED ON A REAL ESTATE BROKER BY  
A BROKERAGE AGREEMENT.

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

Section 1. Section 543B.5, subsection 7, Code 2005, is amended to read as follows:

7. "Brokerage agreement" means a contract between a broker and a client which establishes the relationship between the parties as to the brokerage services to be performed and contains the provisions required in section 543B.56A.

Sec. 2. NEW SECTION. 543B.56A BROKERAGE AGREEMENTS -- CONTENTS.

A brokerage agreement shall specify that the broker shall, at a minimum, do all of the following:

1. Accept delivery of and present to the client offers and counteroffers to buy, sell, rent, lease, or exchange the client's property or the property the client seeks to purchase or lease.
2. Assist the client in developing, communicating, negotiating, and presenting offers or counteroffers until a rental agreement, lease, exchange agreement, offer to buy or sell, or purchase agreement is signed and all contingencies are satisfied or waived and the transaction is completed.

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CHRISTOPHER C. RANTS  
Speaker of the House

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JOHN P. KIBBIE  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 375, Eighty-first General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved 4/19, 2005

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THOMAS J. VILSACK  
Governor