

HOUSE BILL NO. 184

INTRODUCED BY C. FISCUS

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A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT A SUPERVISING BROKER OR REAL ESTATE FIRM IS NOT RESPONSIBLE OR LIABLE FOR A FOR SALE BY OWNER PERSONAL TRANSACTION ON THE PART OF A SALESPERSON; AMENDING SECTION 37-51-309, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 37-51-309, MCA, is amended to read:

"37-51-309. Broker -- salesperson -- for sale by owner personal transactions of salesperson -- notice to department of change of association. (1) A salesperson may not be associated with or under contract to more than one supervising broker or perform services for a broker with a supervising broker endorsement other than the one designated on the license issued to the salesperson except on a temporary basis as provided in 37-51-302.

(2) When a licensed salesperson desires to change association or contractual relationship from one supervising broker to another, the salesperson shall notify the department promptly in writing of these facts, pay the required fee, and return the salesperson's license, and a new license and pocket card must be issued. A salesperson may not directly or indirectly work for or with a supervising broker until the salesperson has been issued a license to work for or with that supervising broker. On termination of a salesperson's association or contractual relationship, the salesperson shall surrender the salesperson's license to the salesperson's supervising broker, who shall return it to the department for cancellation.

(3) Only one license may be issued to a salesperson to be in effect at one time.

(4) (a) The provisions of this chapter do not prohibit a salesperson from engaging in for sale by owner personal transactions, and the provisions of this chapter do not require a supervising broker to exercise any supervision or provide any training for a salesperson with respect to for sale by owner personal transactions of the salesperson.

(b) A supervising broker or real estate firm is not responsible or liable for the for sale by owner personal transactions of a salesperson, if:



1 ~~_____ (i) the personal transaction does not involve the salesperson's supervising broker or real estate firm; and~~
 2 ~~_____ (ii) prior (c) Prior to entering into a for sale by owner personal transaction, the salesperson ~~discloses~~ shall~~
 3 disclose in writing to the other party that the transaction is a for sale by owner personal transaction with respect
 4 to the salesperson and that the transaction does not involve the salesperson's supervising broker or real estate
 5 firm.

6 (d) A supervising broker or real estate firm is not responsible or liable for the failure of a salesperson to
 7 provide the disclosure required in subsection (4)(c).

8 (5) For the purposes of this ~~part~~ section, "for sale by owner personal transaction" includes the following:

- 9 (a) the sale, purchase, or exchange of real property owned or acquired by the salesperson; and
- 10 (b) the leasing or renting of real property owned by the salesperson."

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12 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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