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HOUSE BILL NO. 358

INTRODUCED BY K. ZOLNIKOV, S. KERNS, C. KNUDSEN, G. NIKOLAKAKOS, L. SHELDON-GALLOWAY,
G. FRAZER, B. LER, S. GALLOWAY, C. HINKLE, G. OBLANDER, W. RUSK

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PROPERTY MANAGER LICENSE LAWS; EXEMPTING FROM THE PROPERTY MANAGER LICENSE REQUIREMENT OWNERS OF REAL ESTATE, RELATED OWNERS, AND ENTITIES OWNED BY RELATED OWNERS; ELIMINATING THE EXEMPTION FOR PERSONS ACTING AS MANAGERS OF CERTAIN GOVERNMENT-SUBSIDIZED HOUSING; AMENDING SECTION 37-51-602, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 37-51-602, MCA, is amended to read:

"37-51-602. Exemptions from requirement of property manager license. (1) ~~The~~In addition to the exemptions in 37-51-103, the property manager licensing provisions of this chapter do not apply to:

(a) an owner of a business entity that owns the property;

(b) an owner of a business entity that manages property for an owner that is exempt under subsection (1)(a). However, all owners of the business entity that owns the property and all owners of the business entity that manages the property must be relatives as provided in subsection (1)(d). For purposes of subsections (1)(a) and (1)(b), an owner is a person who is a:

(i) sole proprietor;

(ii) managing member of a limited liability company;

(iii) shareholder of a corporation; or

(iv) partner in a partnership.

(c) An-an owner of the real estate, owners who are relatives as provided in subsection ~~(1)(b)(1)(d)~~, or to business entities or partnerships owned by the owners of the real estate who are relatives as provided in subsection ~~(1)(b)(1)(d)~~;

~~(a)(b)(d)~~ a relative of the owner of the real estate, defined as follows:

- 1 (i) a son or daughter of the property owner or a descendant of either;
- 2 (ii) a stepson or stepdaughter of the property owner;
- 3 (iii) a brother, sister, stepbrother, or stepsister of the property owner;
- 4 (iv) the father or mother of the property owner or the ancestor of either;
- 5 (v) a stepfather or stepmother of the property owner;
- 6 (vi) a son or daughter of a brother or sister of the property owner;
- 7 (vii) a brother or sister of the father or mother of the property owner;
- 8 (viii) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the
- 9 property owner; or

10 (ix) the spouse of the property owner;

11 ~~(b)~~(e) a person who leases no more than four residential real estate units;

12 ~~(c)~~(d) a person acting as attorney-in-fact under a power of attorney from the owner of real estate who
13 authorizes the final consummation of any contract for the renting or leasing of the real estate. This exemption is
14 meant to exclude a single or irregular transaction and may not be routinely used to escape the necessity of
15 obtaining a license.

16 ~~(d)~~(e) a person acting as an attorney at law in the performance of duties as an attorney;

17 ~~(e)~~(f) a receiver, trustee in bankruptcy, personal representative, person acting in regard to real estate
18 pursuant to a court order, or a trustee under a trust agreement, deed of trust, or will;

19 ~~(f)~~(g) an officer of the state or any of its political subdivisions in the conduct of official duties;

20 ~~(g)~~ a person acting as a manager of a housing complex for low-income individuals subsidized either
21 directly or indirectly by the state, any agency or political subdivision of the state, or the government or an
22 agency of the United States;

23 ~~(h)~~(i) a person who receives compensation from the owner of the real estate in the form of reduced
24 rent or salary, unless that person holds signatory authority on the account in which revenue from the real estate
25 is deposited or disbursed;

26 ~~(i)~~(k) a person employed by the owner of the real estate if that person's property management duties
27 are incidental to the person's other employment-related duties; or

28 ~~(j)~~(l) a person employed on a salaried basis by only one person.

1 (2) A licensed real estate broker on active status or a licensed real estate salesperson on active
2 status and acting under a supervising broker may act as a property manager without meeting any qualifications
3 in addition to those required for licensure as a real estate broker or real estate salesperson and without holding
4 a separate property manager's license."

5

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

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- END -

AMENDED