

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

CONFERENCE COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
SENATE BILL 673

By: Gumm and Garrison of the  
Senate

and

Miller (Doug) of the House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to professions and occupations; amending 59 O.S. 2001, Sections 858-351, 858-352, 858-353 and 858-354, which relate to the Oklahoma Real Estate License Code; clarifying cites; modifying definition; providing all brokerage agreements shall be deemed to incorporate certain duties and responsibilities; prohibiting the abrogation or waiver of certain duties or responsibilities by a transaction broker; modifying duties and responsibilities of a transaction broker; clarifying language; stating circumstances when certain duties and responsibilities shall be performed by a transaction broker; clarifying that nothing requires or prohibits certain separate fee or compensation for certain duties or services provided during a transaction; requiring certain written disclosure from a transaction broker under certain circumstances; requiring certain information in written disclosure; prohibiting the abrogation or waiver of certain duties or responsibilities relating to a single-party broker; modifying and adding certain duties and responsibilities; stating circumstances when certain duties and responsibilities shall be performed by a single-party broker; clarifying that nothing requires or prohibits certain separate fee or compensation for certain duties or services provided during a transaction; requiring certain written disclosure from a single-party broker under certain circumstances; requiring certain information in written disclosure; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 59 O.S. 2001, Section 858-351, is amended to read as follows:

Section 858-351. Unless the context clearly indicates otherwise, as used in Sections ~~1 through 13 of this act~~ 858-351 through 858-363 of this title:

1. "Broker" means a real estate broker as defined in Section 858-102 of ~~Title 59 of the Oklahoma Statutes~~ this title, and means, further, except where the context refers only to a real estate broker, an associated broker associate, sales associate, or provisional sales associate authorized by a real estate broker to provide brokerage services;

2. "Party" means a person who is a seller, buyer, landlord, or tenant or a person who is involved in an option or exchange;

3. "Single-party broker" means a broker who has entered into a written brokerage agreement with a party in a transaction to provide services for the benefit of that party;

4. "Transaction" means ~~those real estate activities enumerated in Section 858-102 of Title 59 of the Oklahoma Statutes which are performed by a broker~~ any or all of the steps that may occur by or between parties when a party seeks to buy, sell, lease, rent, option or exchange real estate and at least one party enters into a broker relationship subject to this title. Such steps may include, without limitation, soliciting, advertising, engaging a broker to list a property, showing or viewing a property, making offers or counteroffers, entering into agreements and closing such agreements; and

5. "Transaction broker" means a broker who provides services by assisting a party in a transaction without being an advocate for the benefit of that party.

SECTION 2. AMENDATORY 59 O.S. 2001, Section 858-352, is amended to read as follows:

Section 858-352. A broker may enter into a written brokerage agreement to provide services as either a single-party broker or a transaction broker. If a broker does not enter into a written

brokerage agreement with a party, the broker shall perform services only as a transaction broker. All brokerage agreements shall be deemed to incorporate as material terms the duties and responsibilities set forth in subsection A of Section 858-353 or subsection B of Section 858-354 of this title, based upon whether the relationship established by the brokerage agreement is a transaction broker relationship or single-party broker relationship.

SECTION 3. AMENDATORY 59 O.S. 2001, Section 858-353, is amended to read as follows:

Section 858-353. A. A transaction broker shall have the following duties and responsibilities, which are mandatory and may not be abrogated or waived by a transaction broker:

~~1. To perform the terms of the written brokerage agreement, if applicable;~~

~~2. To treat all parties with honesty and exercise reasonable skill and care;~~

~~3. To comply with all requirements of the Oklahoma Real Estate License Code and all applicable statutes and rules; and~~

~~4. To exercise reasonable skill and care including~~

2. To be available to:

a. receive all written offers and counteroffers,

b. reduce offers or counteroffers to a written form upon request of any party to a transaction, and

c. present timely presentation of all such written offers and counteroffers,

~~b. keeping the party for whom the transaction broker is providing services fully informed regarding the transaction,~~

~~e. timely accounting;~~

3. To inform in writing the party for whom the broker is providing services when an offer is made that the party will be

expected to pay certain closing costs, brokerage service costs and approximate amount of said costs;

4. To account timely for all money and property received by the broker,

~~d. keeping;~~

5. To keep confidential information received from a party confidential as required by Section 7 of this act, and 858-357 of this title

~~e. disclosing;~~

6. To disclose information pertaining to the property as required by the Residential Property Condition Disclosure Act; and

7. To comply with all requirements of the Oklahoma Real Estate License Code and all applicable statutes and rules.

B. Except as provided in Section 858-358 of this title, such duties and responsibilities set forth in this section shall be performed by a transaction broker if such duties and responsibilities relate to the steps of the transaction which occur while there is a broker relationship.

C. Nothing in this section requires or prohibits a transaction broker from charging a separate fee or other compensation for each duty or other services provided during a transaction.

D. If a transaction broker intends to perform fewer services than those required to complete a transaction, written disclosure shall be provided to the party for whom the broker is providing services. Such disclosure shall include a description of those steps in the transaction for which the broker will not perform services, and also state that a broker assisting the other party in the transaction is not required to provide assistance with these steps in any manner.

SECTION 4. AMENDATORY 59 O.S. 2001, Section 858-354, is amended to read as follows:

Section 858-354. A. A broker shall enter into a written brokerage agreement prior to providing services as a single-party broker, which shall be deemed to include, and which may not abrogate or waive, the mandatory duties and responsibilities set forth in this section.

B. The single-party broker shall have the following duties and responsibilities:

~~1. To perform the terms of the brokerage agreement;~~

~~2.~~ To treat all parties with honesty and exercise reasonable skill and care;

~~3. To comply with all requirements of the Oklahoma Real Estate License Code and all applicable statutes and rules; and~~

~~4. To exercise reasonable skill and care including~~

2. To be available to:

a. receive all written offers and counteroffers,

b. reduce offers or counteroffers to a written form upon request of any party to a transaction,

c. present timely ~~presentation of~~ all written offers and counteroffers,

~~b.~~ keeping;

3. To inform in writing the party for whom the broker is providing services when an offer is made that the party will be expected to pay certain closing costs, brokerage service costs and approximate amount of said costs;

4. To keep the party for whom the single-party broker is performing services ~~fully~~ informed regarding the transaction,

~~e.~~ timely accounting;

5. To account timely for all money and property received by the broker,

~~d.~~ keeping;

6. To keep confidential information received from a party confidential as required by Section ~~7 of this act,~~ 858-357 of this title;

~~e. performing~~

7. To perform all brokerage activities for the benefit of the party for whom the single-party broker is performing services unless prohibited by law;

~~f. disclosing;~~

8. To disclose information pertaining to the property as required by the Residential Property Condition Disclosure Act, ~~and~~

~~g. obeying;~~

9. To obey the specific directions of the party for whom the single-party broker is performing services that are not contrary to applicable statutes and rules or contrary to the terms of a contract between the parties to the transaction; and

10. To comply with all requirements of the Oklahoma Real Estate License Code and all applicable statutes and rules.

C. In the event a broker who is a single-party broker for a buyer or a tenant receives a fee or compensation based on a selling price or lease cost of a transaction, such receipt does not constitute a breach of duty or obligation to the buyer or tenant if fully disclosed to the buyer or tenant in the written brokerage agreement.

D. Except as provided in Section 858-358 of this title, such duties and responsibilities set forth in this section shall be performed by a single-party broker if such duties and responsibilities relate to the steps of the transaction which occur while there is a broker relationship.

E. Nothing in this section requires or prohibits a single-party broker from charging a separate fee or other compensation for each duty or other services provided during a transaction.

F. If a single-party broker intends to perform fewer services than those required to complete a transaction, written disclosure shall be provided to the party for whom the broker is providing services. Such disclosure shall include a description of those steps in the transaction for which the broker will not perform services, and also state that the broker assisting the other party in the transaction is not required to provide assistance with these steps in any manner.

SECTION 5. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

50-1-1923

LKS

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