

An Act

ENROLLED SENATE
BILL NO. 1075

By: Rosino of the Senate

and

Moore and Hill of the House

An Act relating to The Oklahoma Real Estate License Code; amending 59 O.S. 2021, Section 858-102, as amended by Section 1, Chapter 159, O.S.L. 2024 (59 O.S. Supp. 2024, Section 858-102), which relates to definitions; defining terms; requiring wholesalers to provide certain disclosures; prohibiting wholesalers from certain practices; allowing homeowners to cancel contract within certain time frame; requiring contracts or agreements to contain certain information; allowing for contracts to be invalid without proper disclosure; requiring the Oklahoma Real Estate Commission to provide certain form at no cost; providing for the promulgation of rules; providing for codification; and providing an effective date.

SUBJECT: Real estate wholesale practices

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

SECTION 1. AMENDATORY 59 O.S. 2021, Section 858-102, as amended by Section 1, Chapter 159, O.S.L. 2024 (59 O.S. Supp. 2024, Section 858-102), is amended to read as follows:

Section 858-102. When used in this Code, unless the context clearly indicates otherwise, the following words and terms shall be construed as having the meanings ascribed to them in this section:

1. The term "real estate" shall include any interest or estate in real property, within or without the State of Oklahoma, whether vested, contingent or future, corporeal or incorporeal, freehold or

nonfreehold, and including leaseholds, options and unit ownership estates to include condominiums, time-shared ownerships and cooperatives; provided, however, that the term real estate shall not include oil, gas or other mineral interests, or oil, gas or other mineral leases; and provided further, that the provisions of this Code shall not apply to any oil, gas, or mineral interest or lease or the sale, purchase or exchange thereof;

2. The term "broker" shall include any person, partnership, limited liability company, association, corporation, or business entity, foreign or domestic, who for a fee, commission, or other valuable consideration, or who with the intention or expectation of receiving or collecting a fee, commission, or other valuable consideration, performs any of the following acts:

- a. sells, exchanges, purchases, rents, or leases real estate,
- b. offers to sell, exchange, purchase, rent, or lease real estate,
- c. negotiates or attempts to negotiate the listing, sale, exchange, purchase, rent, or lease of real estate,
- d. lists or offers, attempts, or agrees to list real estate for sale, exchange, rent or lease,
- e. auctions or offers, attempts, or agrees to auction real estate,
- f. controls the acceptance or deposit of rent from a resident of a single-family residential real property unit,
- g. solicits listings of places for rent or lease,
- h. solicits for prospective tenants, purchasers, or sellers, or
- i. advertises or holds himself or herself out as engaged in such activities;

3. The term "broker associate" shall include any person who has qualified for a license as a broker associate, and who is employed or engaged by, associated as an independent contractor with, or on behalf of and with the permission of a broker to perform any act set out in the definition of a broker;

4. The term "business day" means any calendar day except for Saturday, Sunday, or any public holiday recognized by state or federal law;

5. The term "contract" means any agreement or arrangement, including power of attorney, for the purchase, sale, or assignment of real estate;

6. The term "homeowner" means any individual, entity, trust, or partnership holding title to residential property;

7. The term "real estate sales associate" shall include any person having a renewable license and employed or engaged by, or associated as an independent contractor with, or on behalf of, a broker to do or deal in any act, acts or transactions set out in the definition of a broker;

~~5.~~ 8. "Provisional sales associate" shall include any person who has been licensed after June 30, 1993, employed or engaged by, or associated as an independent contractor with, or on behalf of, a broker to do or deal in any act, acts or transactions set out in the definition of a broker and subject to an additional forty-five-clock-hour postlicensing educational requirement to be completed within the first twelve-month license term. However, the Oklahoma Real Estate Commission shall promulgate rules for those persons called into active military service for purposes of satisfying the postlicensing educational requirement. The license of a provisional sales associate shall be nonrenewable unless the postlicensing requirement is satisfied prior to the expiration date of the license. Further, the terms sales associate and provisional sales associate shall be synonymous in meaning except where specific exceptions are addressed in the Oklahoma Real Estate License Code;

~~6.~~ 9. The term "successful completion" shall include prelicense, postlicense, and distance education courses in which an approved public or private school entity has examined the

individual, to the satisfaction of the entity and standards as established by the Commission, in relation to the course material presented during the offering;

~~7.~~ 10. The term "renewable license" shall refer to a broker, broker associate or sales associate who is a holder of such license or to a provisional sales associate who has completed the educational requirements within the required time period as stated in the Code;

~~8.~~ 11. The term "nonrenewable license" shall refer to a provisional sales associate who is the holder of such license and who has not completed the postlicense educational requirement within the required time period as stated in the Code;

~~9.~~ 12. The term "surrendered license" shall refer to a real estate license which is surrendered, upon the request of the licensee, due to a pending investigation or disciplinary proceedings;

~~10.~~ 13. The term "canceled license" shall refer to a real estate license which is canceled, upon the request of the licensee and approval of the Commission, due to a personal reason or conflict;

~~11.~~ 14. The term "publicly market" shall include all advertisements and marketing conducted in a public or open manner or place;

~~12.~~ 15. "Licensee" shall include any person who performs any act, acts or transactions set out in the definition of a broker and licensed under the Oklahoma Real Estate License Code;

~~13.~~ 16. The word "Commission" shall mean the Oklahoma Real Estate Commission;

~~14.~~ 17. The word "person" shall include and mean every individual, partnership, association or corporation, foreign or domestic;

~~15.~~ 18. Masculine words shall include the feminine and neuter, and the singular includes the plural; ~~and~~

~~16.~~ 19. The word "associate" shall mean a broker associate, sales associate or provisional sales associate; and

20. The term "wholesaler" means any individual or entity engaging in the business of securing, negotiating, or facilitating the sale of residential real estate for the primary purpose of transferring, assigning, or selling their equitable interest in the property, directly or indirectly, for financial profit. This includes any person or entity that:

- a. enters into a contract to purchase residential real estate with the intent of assigning or selling the contractual rights to another party before taking possession or legal ownership of such residential real estate, and
- b. engages in double closing. As used in this paragraph, "double closing" means the wholesaler simultaneously closes two separate transactions on the same property, one with the original seller and one with the end buyer, without the intent to reside in or otherwise materially improve such residential real estate.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 858.314 of Title 59, unless there is created a duplication in numbering, reads as follows:

A. A wholesaler shall:

1. Disclose in writing to the homeowner, before the execution of any contract or written agreement, his or her intent to assign or sell his or her equitable interest in the residential real estate for a higher price than what is offered to the homeowner;

2. Provide a prominent written disclosure to the homeowner in all written contracts between the parties stating that the homeowner should seek legal advice before signing any contract concerning his or her home; and

3. Disclose in writing to the homeowner that the homeowner has the right to cancel the contract without penalty within two (2) business days after the execution of the contract.

B. A wholesaler shall not, directly or indirectly:

1. Act as an advisor or consultant, or in any other manner representing that the wholesaler is acting on behalf of the homeowner; or

2. Represent himself or herself as holding a certification or license, or being a member of a licensed profession, without possession of the certification or license.

C. The homeowner shall have the right to cancel the contract without penalty within two (2) business days from the date of execution of the contract.

D. The wholesaler shall be prohibited from placing any lien or encumbrance on or otherwise clouding title of the property.

E. Any contract or agreement used by a wholesaler shall contain the following:

1. The name, address, and telephone number of the wholesaler;

2. The address of the residence involved in the transaction;

3. The total consideration to be given by the wholesaler to the homeowner;

4. A complete description of the terms of payment or other consideration including, but not limited to, any services of any nature which the wholesaler represents he or she will perform for the seller before or after the sale; and

5. The following notice shall appear on the contract in immediate proximity to the space reserved for the seller's signature and shall be in at least twelve-point bold type if the contract is typed or in capital letters if the contract is printed. The notice shall contain the name of the wholesaler, the date and time by which the contract shall be canceled, and the following language:

"NOTICE REQUIRED BY OKLAHOMA LAW: You may cancel this contract at any time before midnight of _____ (Date).
_____ (Name of Wholesaler) or anyone working
for _____ (Name of Wholesaler) CANNOT ask you to
sign or have you sign any deed or any other document until your
right to cancel this contract has ended. See the attached notice of
cancellation form for an explanation of this right. You should
always consult an attorney or community organization before signing
any legal documents concerning your home. It is advisable that you
find your own attorney. The law requires this contract to contain
the entire agreement. You should not rely upon any other written or
oral agreement or promise."

F. Failure to include any of the required disclosures under this section shall render the contract invalid and unenforceable by the wholesaler and shall entitle the homeowner to any earnest money deposit involved in the transaction. Any earnest money deposit or security deposit by a wholesaler shall be kept in an escrow account maintained in this state with a federally insured financial institution. The homeowner may terminate the contract at any time if the wholesaler fails to comply with the provisions of this section.

G. The Oklahoma Real Estate Commission shall create, publish, and provide on its website a notice of cancellation form, which shall be included by the wholesaler with any contract. This form shall be provided to the homeowner at no cost.

H. The Commission shall promulgate any rules necessary to implement the provisions of this section.

SECTION 3. This act shall become effective November 1, 2025.

Passed the Senate the 14th day of May, 2025.

Presiding Officer of the Senate

Passed the House of Representatives the 6th day of May, 2025.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____