

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 430 Session of
1989INTRODUCED BY GREENLEAF, AFFLERBACH AND ANDREZESKI,
FEBRUARY 6, 1989SENATOR BELL, CONSUMER PROTECTION AND PROFESSIONAL LICENSURE, AS
AMENDED, MAY 23, 1989

AN ACT

1 Amending the act of February 19, 1980 (P.L.15, No.9), entitled
2 "An act establishing the State Real Estate Commission and
3 providing for the licensing of real estate brokers and
4 salesmen," further providing for the broker's disclosures to
5 the buyer.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Sections 606, 607 and 608 of the act of February <—
9 19, 1980 (P.L.15, No.9), known as the Real Estate Licensing and
10 Registration Act, added March 29, 1984 (P.L.162, No.32), are
11 amended to read:

12 SECTION 606. BROKER'S DISCLOSURE TO SELLER. <—

13 IN ANY LISTING AGREEMENT OR CONTRACT OF AGENCY, THE BROKER
14 SHALL MAKE THE FOLLOWING DISCLOSURES TO ANY SELLER OF REAL
15 PROPERTY:

16 (1) A STATEMENT THAT THE BROKER'S COMMISSION AND THE
17 TIME PERIOD OF THE LISTING [ARE NEGOTIABLE.] HAVE BEEN
18 DETERMINED AS A RESULT OF NEGOTIATIONS BETWEEN THE BROKER AND
19 THE SELLER.

(2) A STATEMENT DESCRIBING THE PURPOSE OF THE REAL ESTATE RECOVERY FUND ESTABLISHED UNDER SECTION 801 AND THE TELEPHONE NUMBER OF THE COMMISSION AT WHICH THE SELLER CAN RECEIVE FURTHER INFORMATION ABOUT THE FUND.

Section 607. Broker's disclosure to buyer.

In any sales agreement or sales contract, a broker ~~for the seller~~ shall make the following disclosures to any prospective buyer of real property:

(1) A statement that the broker is the agent of the seller[, not the buyer.] OR THAT THE BROKER IS THE AGENT OF THE BUYER.

(2) A statement describing the purpose of the Real Estate Recovery Fund established under section 801 and the telephone number of the commission at which the purchaser can receive further information about the fund.

(3) A statement of the zoning classification of the property except [for single-family dwellings. Failure of any sales agreement or sales contract to contain a statement of the zoning classification of the property] IN CASES WHERE THE PROPERTY (OR EACH PARCEL THEREOF, IF SUBDIVIDABLE) IS ZONED SOLELY OR PRIMARILY TO PERMIT SINGLE-FAMILY DWELLINGS.

FAILURE TO COMPLY WITH THIS REQUIREMENT shall render the sales agreement or sales contract [null and void and] VOIDABLE AT THE OPTION OF THE BUYER, AND, IF VOIDED, any deposits tendered by the buyer shall be returned to the buyer without any requirement for any court action] ~~voidable by the buyer.~~

Section 608. Information to be given at initial interview.

The commission shall establish rules or regulations which shall set forth the manner and method of disclosure of

1 information to the prospective buyer or seller during the
2 initial interview. Such disclosure shall include, but shall not
3 be limited to:

4 (1) A statement that the broker is the agent of the
5 seller or THAT THE BROKER IS THE AGENT OF the buyer. <—

6 (2) The purpose of the Real Estate Recovery Fund and the
7 telephone number of the commission at which further
8 information about the fund may be obtained.

9 (3) A statement that the duration of the listing
10 agreement or contract and the broker's commission are
11 negotiable.

12 (4) A statement that any sales agreement must contain
13 the zoning classification of a property except for IN CASES <—
14 WHERE THE PROPERTY (OR EACH PARCEL THEREOF, IF SUBDIVIDABLE)
15 IS ZONED SOLELY OR PRIMARILY TO PERMIT single-family
16 dwellings.

17 Section 2. This act shall take effect immediately.