

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO.

Senate Bill 241

PRINTER'S NO.

246

AMOUNT

No Fiscal Impact

FUND

General

DATE INTRODUCED

March 31, 2009

PRIME SPONSOR

Senator Tomlinson

HISTORY OF BILL

First consideration, March 31, 2009
Re-referred to APPROPRIATIONS, April 21, 2009
Re-reported as committed, June 1, 2009

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 241 amends the Real Estate Licensing and Registration Act. The bill establishes the definition of "Qualified association" and further provides for prohibited acts and for duties of licensee generally. In addition, the bill provides for the handling of deposits and other escrows.

Senate Bill 241 will provide that associate brokers and salespersons may set up entities such as S corporations or LLCs to conduct their real estate business and receive commissions. The legislation would require that only a licensee may own an entity that is paid commission by the broker. In addition, an entity organized by an associate broker or salesperson to receive commissions may not be held out to the public as providing real estate services. If an associate broker or salesperson does not comply with those restrictions or if the entity is used to violate RELRA generally, the associate broker or salesperson will be subject to discipline.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Senate Bill 241 will allow excess funds to be disbursed after a certain amount of time following termination of an agreement of sale.

The provisions of the bill would be effective in 60 days after the effective date.

FISCAL IMPACT:

The enactment of this legislation will have no fiscal impact to the Commonwealth.