

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1173

PRINTER NO. 1542

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

April 22, 2024

PRIME SPONSOR

Senator Stefano

DESCRIPTION

Senate Bill 1173 amends the Real Estate Licensing and Registration Act to provide for wholesale transactions.

This legislation expands the definition of broker to include a person who, whether for the person or for another, engages or attempts to engage in a wholesale transaction. A wholesale transaction is defined as the purchase of an equitable interest or other interest in residential property with the intent to assign, sell or otherwise transfer the interest for a fee, commission or other valuable consideration without having taken title as the owner of record of the interest.

A consumer who is party to a wholesale transaction shall have a non-waivable right to cancel a sales agreement containing required disclosures through the 30th day after an agreement was executed, or until conveyance, whichever occurs first. A sales agreement for a wholesale transaction that does not contain required disclosures may be canceled at any time prior to conveyance.

Notice of cancellation shall be given by certified mail or by any other bona fide means of delivery, provided that the consumer obtains a receipt. A notice of cancellation shall be effective on the date postmarked or on the date of deposit of the notice with any bona fide means of delivery. Within ten business days after the receipt of a notice of cancellation, all payments of any kind made by the consumer shall be refunded, and an acknowledgment that the sales agreement is void shall be provided. A consumer who exercises the right of cancellation shall not be liable for any damages as a result of the exercise of that right.

This act shall take effect in 180 days.

FISCAL IMPACT:

According to the Department of State, Senate Bill 1173 has no fiscal impact on Commonwealth funds.