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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 927 Session of  
2023

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INTRODUCED BY NEILSON, MADDEN, KHAN, SANCHEZ, KINSEY, PARKER,  
HILL-EVANS AND ROZZI, APRIL 17, 2023

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REFERRED TO COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT,  
APRIL 17, 2023

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AN ACT

1 Providing for regulation of housing wholesalers.

2 The General Assembly of the Commonwealth of Pennsylvania  
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Residential  
6 Housing Wholesalers Registration Act.

7 Section 2. Definitions.

8 The following words and phrases when used in this act shall  
9 have the meanings given to them in this section unless the  
10 context clearly indicates otherwise:

11 "Applicant." An individual applying for an initial license.

12 "Commission." The State Real Estate Commission established  
13 under the act of February 19, 1980 (P.L.15, No.9), known as the  
14 Real Estate Licensing and Registration Act.

15 "Homeowner." The record owner or equitable owner of a  
16 residential property.

17 "License." The Residential Property Wholesaler License

1 established under section 3.

2 "List." The Do-Not-Solicit List created under section 5.

3 "Renewal." A renewal of a license that has not lapsed or  
4 expired.

5 "Residential property." Each property legally used or held  
6 out for individuals to live in, whether the property is occupied  
7 by the owners of the property, rented or vacant.

8 "Residential property wholesaler." A person or entity who is  
9 in the business of purchasing or soliciting for purchase  
10 residential properties not to use as the person or entity's  
11 residence. The term does not include:

12 (1) A public official or employee who acts as a  
13 residential property wholesaler in the course of the official  
14 or employee's official duties.

15 (2) A person or entity who purchases residential  
16 properties and substantially improves those properties for  
17 the purpose of resale.

18 (3) Any of the following licensed professionals when  
19 acting within the scope of a licensed practice area:

20 (i) An attorney licensed to practice law in this  
21 Commonwealth.

22 (ii) A person licensed by the Pennsylvania Real  
23 Estate Commission under the Real Estate Licensing and  
24 Registration Act.

25 "Solicit." To advertise the accomplishments or abilities of  
26 a residential property wholesaler, request that a homeowner list  
27 the residential property owned by the homeowner for sale or  
28 offer to purchase a homeowner's residential property through  
29 mail, oral communication or electronic communication.

30 Section 3. License required.

1 (a) License required.--A person or entity may not act as a  
2 residential property wholesaler unless that person or entity  
3 possesses a valid license.

4 (b) License issuance.--The following shall apply to licenses  
5 under this act:

6 (1) Applications for licenses and renewals shall be  
7 filed on forms developed and provided by the commission.

8 (2) Licenses and renewals shall be issued in accordance  
9 with regulations, which shall be promulgated by the  
10 commission.

11 (3) Licenses and renewals shall be valid for one year.

12 (4) All application and renewal forms must include:

13 (i) A nonrefundable application fee of \$200.

14 (ii) Proof that the applicant possesses insurance,  
15 in a type and amount as the commission shall require.

16 (iii) The name and address of an applicant or, if  
17 the applicant is not a natural person, the name and  
18 address of a responsible natural person.

19 (iv) Each Pennsylvania corporation, including a  
20 limited liability corporation, in which the applicant has  
21 an equity interest, regardless of whether the applicant  
22 has a direct equity interest or the applicant's equity  
23 interest is held through one or more tiers of a corporate  
24 structure, including a parent-subsiary structure.

25 (c) Criminal history record search required.--An applicant  
26 may only be issued a license if, after a criminal history  
27 records search of the applicant has been performed by the  
28 commission, the commission has determined that the applicant has  
29 not, within the past six years, been convicted of a crime of  
30 fraud, dishonesty, breach of trust or deceit or has been

1 convicted for violating the act of March 17, 1978 (P.L.15,  
2 No.9), known as the Agricultural Liming Materials Act.

3 (d) Changed information.--An applicant or licensee shall  
4 notify the commission, in writing, within 72 hours of any  
5 changes in the information contained in or submitted with the  
6 application.

7 Section 4. Disclosure required.

8 (a) Disclosures.--A licensee must provide a homeowner with a  
9 disclosure at least three days before presenting an offer to  
10 purchase a homeowner's residential property. The disclosure must  
11 do all of the following:

12 (1) Inform the homeowner of how to access resources that  
13 assess the fair value of residential properties, including  
14 any private real estate assessment tools as may be identified  
15 by the commission by regulation.

16 (2) Inform the homeowner of the seller's ability to do  
17 all of the following:

18 (i) Hire a real estate agent.

19 (ii) Seek legal counsel.

20 (iii) Identify any other resources deemed  
21 appropriate by the commission.

22 (b) Signature required.--The residential property wholesaler  
23 shall retain copies of each disclosure signed by the homeowner  
24 as proof of providing the disclosure to the homeowner.

25 Section 5. Do-Not-Solicit List.

26 (a) Creation.--The commission shall create and maintain a  
27 public list of real property owners who have expressed a desire  
28 to not be solicited to sell or rent the property owner's real  
29 property in accordance with the following:

30 (1) This list shall be known as the "Do-Not-Solicit

1 List."

2 (2) A real property owner who appears on the list may  
3 request in writing that the commission remove the real  
4 property owner's name from the Do-Not-Solicit List.

5 (3) The commission shall remove the real property  
6 owner's name from the list within 30 days of the request.

7 (b) Inclusion on list.--The inclusion on the list of any  
8 real property owner shall be deemed a desire not to sell or rent  
9 the homeowner's real property and a desire not to be solicited.

10 Section 6. Unlawful actions.

11 (a) Solicitation.--It shall be unlawful for a licensee to  
12 solicit a real property from a homeowner on the list.

13 (b) Statements.--A licensee or applicant may not, in the  
14 course of soliciting residential property, do any of the  
15 following:

16 (1) Knowingly make a material misrepresentation, a false  
17 promise, untruthful advertisement or engage in any conduct  
18 which demonstrates bad faith, dishonesty, untrustworthiness  
19 or incompetency.

20 (2) Knowingly give false or misleading information when  
21 completing a license application or when providing changes of  
22 information to the commission.

23 (c) Refusal or revocation of license.--A history of  
24 violation of the prohibited conduct listed in this section shall  
25 be cause for refusal or revocation of a license or renewal.

26 Section 7. Enforcement.

27 (a) Unlicensed residential property wholesalers.--An  
28 agreement of sale entered into by a residential property  
29 wholesaler who is unlicensed at the time of the solicitation may  
30 be rescinded at any time prior to the transfer of the title to

1 the homeowner's property at the sole option of the homeowner. A  
2 homeowner may bring a civil action in court against the  
3 residential property wholesaler.

4 (b) Other violations.--A violation of any other provision of  
5 this act shall be considered a violation of the act of February  
6 19, 1980 (P.L.15, No.9), known as the Real Estate Licensing and  
7 Registration Act, and shall be subject to any penalty contained  
8 therein.

9 Section 8. Inapplicability.

10 This act shall not apply in cities of the first class.

11 Section 9. Effective date.

12 This act shall take effect in 60 days.