

Regular Session, 2010

HOUSE BILL NO. 370

BY REPRESENTATIVE ARNOLD

REAL ESTATE: Provides for changes to definitions regarding agency relations in real estate transactions

1 AN ACT

2 To amend and reenact R.S. 9:3891(8) and (9) and to enact R.S. 9:3891(14), relative to
3 agency relations in real estate transactions; to provide for a change in the definition
4 of "designated agency" and "designated agent"; to provide for a definition of
5 "substantive contact"; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 9:3891(8) and (9) are hereby amended and reenacted and R.S.
8 9:3891(14) is hereby enacted to read as follows:

9 §3891. Definitions

10 * * *

11 (8) "Designated agency" means ~~a contractual relationship between a broker~~
12 ~~and a client under which one or more licensees affiliated with the broker are~~
13 ~~designated as agents of the client~~ the agency relationship that shall be presumed to
14 exist when a licensee engaged in any real estate transaction, except as otherwise
15 provided in this Chapter, is working with a client, unless there is a written agreement
16 providing for a different relationship.

17 (9) "Designated agent" means a licensee ~~named by a broker as~~ who is the
18 agent of a client.

19 * * *

1 (14) "Substantive contact" means that point in any conversation where
 2 confidential information is solicited or received. This includes any specific financial
 3 qualifications of the consumer or the motives or objectives in which the consumer
 4 may divulge any confidential, personal, or financial information, which, if disclosed
 5 to the other party to the transaction, could harm the party's bargaining position. This
 6 includes any electronic contact, electronic mail, or any other form of electronic
 7 transmission.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Arnold

HB No. 370

Abstract: Provides for changes in the definitions of "designated agency" and "designated agent" and provides for a definition of "substantive contact".

Present law provides that a "designated agency" means a contractual relationship between a broker and a client under which one or more licensees affiliated with the broker are designated as agents of the client.

Proposed law changes present law to provide that a "designated agency" means the agency relationship that shall be presumed to exist when a licensee engaged in any real estate transaction is working with a client, unless there is a written agreement providing for a different relationship.

Present law provides that a "designated agent" means a licensee named by a broker as the agent of a client.

Proposed law changes present law to provide that a "designated agent" means a licensee who is the agent of a client.

Proposed law provides that "substantive contact" means that point in any conversation where confidential information is solicited or received. This includes any specific financial qualifications of the consumer or the motives or objectives in which the consumer may divulge any confidential, personal, or financial information, which, if disclosed to the other party to the transaction, could harm the party's bargaining position. This includes any electronic contact, electronic mail, or any other form of electronic transmission.

(Amends R.S. 9:3891(8) and (9); Adds R.S. 9:3891(14))