

2015 Regular Session

HOUSE BILL NO. 611

BY REPRESENTATIVE PYLANT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

REAL ESTATE: Provides relative to net listing agreements

1 AN ACT

2 To enact R.S. 37:1431(34) and 1448.3, relative to certain real estate contracts; to define a
3 net listing agreement; to prohibit net listing agreements between real estate brokers
4 and sellers with respect to sales of certain real estate property; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 37:1431(34) and 1448.3 are hereby enacted to read as follows:

8 §1431. Definitions

9 * * *

10 (34) "Net listing agreement" means a listing agreement that authorizes a
11 broker to take as his commission the difference between the higher sale price at
12 which the real estate property is sold and the stipulated net price agreed upon to be
13 received by the seller.

14 * * *

15 §1448.3. Net listing agreements

16 It is unlawful for any real estate broker to advise or encourage a seller in
17 relation to, or to enter into, a net listing agreement as described in R.S. 37:1431(34),
18 for the sale of residential real estate property or any land as defined in R.S. 47:2302.

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)]

HB 611 Reengrossed

2015 Regular Session

Pylant

Abstract: Prohibits the use of net listing agreements in certain circumstances.

Proposed law defines a "net listing agreement" as a "listing agreement" that authorizes a broker to take as his commission the difference between the higher sale price at which the real estate property is sold and the stipulated net price agreed upon to be received by the seller.

Proposed law makes it unlawful for a real estate broker to advise or encourage a seller in relation to, or to enter into, a net listing agreement as defined in proposed law for the sale of residential real estate property, or for any property defined in present law (R.S. 47:2302).

(Adds R.S. 37:1431(34) and 1448.3)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Prohibit net listing agreements for the sale of residential real estate property, or for the sale of bona fide agricultural land, bona fide horticultural land, bona fide marsh land, and bona fide timberland as defined in present law.

The House Floor Amendments to the engrossed bill:

1. Clarify the term "real property" as "real estate property."
2. Clarify the provision that it is unlawful for a real estate broker to advise or encourage a seller in relation to a net listing agreement.
3. Make technical changes.