

**Second Regular Session
Sixty-third General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 02-0874.01 Jery Payne

SENATE BILL 02-196

SENATE SPONSORSHIP

Perlmutter, Anderson, Hagedorn, Hernandez, McElhany, Phillips, Taylor, and Teck

HOUSE SPONSORSHIP

Spradley, Chavez, Groff, Grossman, Kester, Stafford, and White

Senate Committees

Business, Labor, and Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING REAL ESTATE BROKERS WHO ARE ENGAGED BY MEMBERS**
102 **OF THE PUBLIC.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Declares that individual members of the public should not be held liable for the acts or omissions of real estate brokers that have not been approved, directed, or ratified by such individuals. Limits the public's legal relationship with brokers to the individual broker they engage.

Requires the nature of the brokerage relationship to be disclosed in writing to the person engaging such broker. Prohibits dual agency and subagency real estate brokerage relationships. Prohibits members of the public from being held vicariously liable for the acts and omissions of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

their real estate broker unless the act or omission was approved, directed, or ratified.

Clarifies the following:

- That the brokerage relationship does not extend from the individual broker to the broker's employer.
- That a transaction-broker is not a dual agent.
- That a brokerage relationship may exist for only one transaction unless otherwise specifically agreed.
- The nature of the duty of a buyer's or tenant's agent to inspect the property.

Defines relevant terms.

Makes conforming amendments.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 12-61-801 (1), Colorado Revised Statutes, is
3 amended to read:

4 **12-61-801. Legislative declaration.** (1) The general assembly
5 finds, determines, and declares that the public will best be served through
6 a better understanding of the public's legal and working relationships with
7 real estate brokers and by being able to engage any such real estate broker
8 on terms and under conditions that the public and the real estate broker
9 find acceptable. This includes engaging a broker as a single agent
10 ~~subagent, dual agent,~~ or transaction-broker. INDIVIDUAL MEMBERS OF THE
11 PUBLIC SHOULD NOT BE EXPOSED TO LIABILITY FOR ACTS OR OMISSIONS OF
12 REAL ESTATE BROKERS THAT HAVE NOT BEEN APPROVED, DIRECTED, OR
13 RATIFIED BY SUCH INDIVIDUALS. Further, the public should be advised of
14 the general duties, obligations, and responsibilities of a THE real estate
15 broker in any particular real estate transaction THEY ENGAGE.

16 **SECTION 2.** 12-61-802 (3) and (6), Colorado Revised Statutes,
17 are amended, and the said 12-61-802 is further amended BY THE
18 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

19 **12-61-802. Definitions.** As used in this part 8, unless the context

1 otherwise requires:

2 (1.3) "CUSTOMER" MEANS A PARTY TO A REAL ESTATE
3 TRANSACTION WITH WHOM THE BROKER HAS NO BROKERAGE
4 RELATIONSHIP BECAUSE SUCH PARTY HAS NOT ENGAGED OR EMPLOYED A
5 BROKER.

6 (1.5) "DESIGNATED BROKER" MEANS AN EMPLOYING BROKER OR
7 EMPLOYED BROKER WHO IS DESIGNATED IN WRITING BY AN EMPLOYING
8 BROKER TO SERVE AS A SINGLE AGENT OR TRANSACTION-BROKER FOR A
9 SELLER, LANDLORD, BUYER, OR TENANT IN A REAL ESTATE TRANSACTION.
10 "DESIGNATED BROKER" DOES NOT INCLUDE A REAL ESTATE BROKERAGE
11 FIRM THAT CONSISTS OF ONLY ONE LICENSED NATURAL PERSON.

12 (3) "Limited agent" means an agent whose duties and obligations
13 to a principal are only those set forth in section 12-61-804 OR 12-61-805,
14 ~~or 12-61-806~~, with any additional duties and obligations agreed to
15 pursuant to section 12-61-803 (5).

16 (6) "Transaction-broker" means a broker who assists one or more
17 parties throughout a contemplated real estate transaction with
18 communication, interposition, advisement, negotiation, contract terms,
19 and the closing of such real estate transaction without being an agent or
20 advocate for the interests of any party to such transaction. Upon
21 agreement in writing pursuant to section 12-61-803 (2) (a) or a written
22 disclosure pursuant to section 12-61-808 (2) (d), a transaction-broker may
23 become a single agent. ~~subagent, or dual agent.~~

24 **SECTION 3.** 12-61-803 (1), (2), (3), and (4), Colorado Revised
25 Statutes, are amended, and the said 12-61-803 is further amended BY
26 THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to
27 read:

1 **12-61-803. Relationships between brokers and the public.**

2 (1) When engaged in any of the activities enumerated in section
3 12-61-101 (2) or (3), a broker may act in any transaction as a single
4 agent, ~~subagent, dual agent,~~ or transaction-broker. The broker's general
5 duties and obligations arising from that relationship shall be disclosed to
6 the seller and the buyer or to the landlord and the tenant pursuant to
7 section 12-61-808.

8 (2) A broker shall be considered a transaction-broker unless A
9 SINGLE AGENCY RELATIONSHIP IS ESTABLISHED THROUGH A WRITTEN
10 AGREEMENT BETWEEN THE BROKER AND THE PARTY OR PARTIES TO BE
11 REPRESENTED BY SUCH BROKER.

12 ~~(a) A single agency or dual agency relationship is established~~
13 ~~through a written agreement between the broker and the party or parties~~
14 ~~to be represented by such broker; or~~

15 ~~(b) A broker works with a buyer or tenant as a subagent of the~~
16 ~~seller or landlord by expressly agreeing with the seller or landlord to~~
17 ~~serve as a subagent or by impliedly agreeing to serve as a subagent by~~
18 ~~acting upon and thereby accepting an offer of subagency.~~

19 (3) A broker may work with a single party in separate transactions
20 pursuant to different relationships including but not limited to selling one
21 property as a seller's agent and working with that seller in buying another
22 property as a transaction-broker OR buyer's agent, ~~or subagent,~~ BUT ONLY
23 if the broker complies with this part 8 in establishing the relationships for
24 each transaction.

25 (4) A broker ~~or salesperson~~ licensed pursuant to part 1 of this
26 article, whether acting as a single agent ~~subagent, dual agent,~~ or
27 transaction-broker, may complete standard forms including those

1 promulgated by the Colorado real estate commission and may advise the
2 parties as to effects thereof if the broker ~~or salesperson~~ is performing the
3 activities enumerated or referred to in ~~subsection (2) or (3)~~ of section
4 12-61-101 (2) OR (3) in the transaction in which the forms are to be used.
5 In any such transaction, the broker shall advise the parties that the forms
6 have important legal consequences and that the parties should consult
7 legal counsel before signing such forms.

8 (6) (a) IF A REAL ESTATE BROKERAGE FIRM HAS MORE THAN ONE
9 LICENSED NATURAL PERSON, THE EMPLOYING BROKER OR AN INDIVIDUAL
10 BROKER EMPLOYED OR ENGAGED BY THAT EMPLOYING BROKER SHALL BE
11 DESIGNATED TO WORK WITH THE SELLER, LANDLORD, BUYER, OR TENANT
12 AS A DESIGNATED BROKER. THE EMPLOYING BROKER MAY DESIGNATE
13 MORE THAN ONE OF ITS INDIVIDUAL BROKERS TO WORK WITH A SELLER,
14 LANDLORD, BUYER, OR TENANT.

15 (b) THE BROKERAGE RELATIONSHIP ESTABLISHED BETWEEN THE
16 SELLER, LANDLORD, BUYER, OR TENANT AND A DESIGNATED BROKER,
17 INCLUDING THE DUTIES, OBLIGATIONS, AND RESPONSIBILITIES OF THAT
18 RELATIONSHIP, SHALL NOT EXTEND TO THE EMPLOYING BROKER NOR TO
19 ANY OTHER BROKER EMPLOYED OR ENGAGED BY THAT EMPLOYING
20 BROKER WHO HAS NOT BEEN SO DESIGNATED AND SHALL NOT EXTEND TO
21 THE FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY, ASSOCIATION,
22 CORPORATION, OR OTHER ENTITY THAT EMPLOYS SUCH BROKER.

23 (c) A REAL ESTATE BROKER MAY HAVE DESIGNATED BROKERS
24 WORKING AS SINGLE AGENTS FOR A SELLER OR LANDLORD AND A BUYER
25 OR TENANT IN THE SAME REAL ESTATE TRANSACTION WITHOUT CREATING
26 DUAL AGENCY FOR THE EMPLOYING REAL ESTATE BROKER, OR ANY
27 BROKER EMPLOYED OR ENGAGED BY THAT EMPLOYING REAL ESTATE

1 BROKER.

2 (d) AN INDIVIDUAL BROKER MAY BE DESIGNATED TO WORK FOR
3 BOTH A SELLER OR LANDLORD AND A BUYER OR TENANT IN THE SAME
4 TRANSACTION AS A TRANSACTION-BROKER FOR BOTH, AS A SINGLE AGENT
5 FOR THE SELLER OR LANDLORD TREATING THE BUYER OR TENANT AS A
6 CUSTOMER, OR AS A SINGLE AGENT FOR A BUYER OR TENANT TREATING THE
7 SELLER OR LANDLORD AS A CUSTOMER, BUT NOT AS A SINGLE AGENT FOR
8 BOTH. THE APPLICABLE DESIGNATED BROKER RELATIONSHIP SHALL BE
9 DISCLOSED IN WRITING TO THE SELLER OR LANDLORD AND BUYER OR
10 TENANT IN A TIMELY MANNER PURSUANT TO RULES PROMULGATED BY THE
11 REAL ESTATE COMMISSION.

12 (e) A DESIGNATED BROKER MAY WORK WITH A SELLER OR
13 LANDLORD IN ONE TRANSACTION AND WORK WITH A BUYER OR TENANT IN
14 ANOTHER TRANSACTION.

15 (f) WHEN A DESIGNATED BROKER SERVES AS A SINGLE AGENT
16 PURSUANT TO SECTION 12-61-804 OR 12-61-805, THERE SHALL BE NO
17 IMPUTATION OF KNOWLEDGE TO THE EMPLOYING OR EMPLOYED BROKER
18 WHO HAS NOT BEEN SO DESIGNATED.

19 (g) THE EXTENT AND LIMITATIONS OF THE BROKERAGE
20 RELATIONSHIP WITH THE DESIGNATED BROKER SHALL BE DISCLOSED TO
21 THE SELLER, LANDLORD, BUYER, OR TENANT WORKING WITH THAT
22 DESIGNATED BROKER PURSUANT TO SECTION 12-61-808.

23 (7) NO SELLER, BUYER, LANDLORD, OR TENANT SHALL BE
24 VICARIOUSLY LIABLE FOR A BROKER'S ACTS OR OMISSIONS THAT HAVE NOT
25 BEEN APPROVED, DIRECTED, OR RATIFIED BY SUCH SELLER, BUYER,
26 LANDLORD, OR TENANT.

27 (8) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO LIMIT THE

1 EMPLOYING BROKER'S OR FIRM'S RESPONSIBILITY TO SUPERVISE LICENSEES
2 EMPLOYED BY SUCH BROKER OR FIRM NOR TO SHIELD SUCH BROKER OR
3 FIRM FROM VICARIOUS LIABILITY.

4 **SECTION 4.** 12-61-804 (1) (c) (VII) and (5), Colorado Revised
5 Statutes, are amended to read:

6 **12-61-804. Single agent engaged by seller or landlord.** (1) A
7 broker engaged by a seller or landlord to act as a seller's agent or a
8 landlord's agent is a limited agent with the following duties and
9 obligations:

10 (c) To promote the interests of the seller or landlord with the
11 utmost good faith, loyalty, and fidelity, including, but not limited to:

12 (VII) Informing the seller or landlord that such seller or landlord
13 ~~may~~ SHALL NOT be vicariously liable for the acts of such seller's or
14 landlord's agent THAT ARE NOT APPROVED, DIRECTED, OR RATIFIED BY
15 SUCH SELLER OR LANDLORD. ~~or any subagent when the broker is acting~~
16 ~~within the scope of the agency relationship.~~

17 (5) (a) ~~A seller or landlord may agree in writing with a seller's or~~
18 ~~landlord's agent that other brokers may be retained and compensated as~~
19 ~~subagents.~~

20 (b) ~~Any broker acting as a subagent on the seller's or landlord's~~
21 ~~behalf shall be a limited agent with the obligations and responsibilities set~~
22 ~~forth in subsections (1), (2), (3), and (4) of this section.~~ A DESIGNATED
23 BROKER ACTING AS A SELLER'S OR LANDLORD'S AGENT MAY COOPERATE
24 WITH OTHER BROKERS BUT MAY NOT ENGAGE OR CREATE ANY SUBAGENTS.

25 **SECTION 5.** 12-61-805 (1) (c) (VII), Colorado Revised Statutes,
26 is amended, and the said 12-61-805 is further amended BY THE
27 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

1 **12-61-805. Single agent engaged by buyer or tenant.** (1) A
2 broker engaged by a buyer or tenant to act as a buyer's or tenant's agent
3 shall be a limited agent with the following duties and obligations:

4 (c) To promote the interests of the buyer or tenant with the utmost
5 good faith, loyalty, and fidelity, including, but not limited to:

6 (VII) Informing the buyer or tenant that such buyer or tenant ~~may~~
7 SHALL NOT be vicariously liable for the acts of such buyer's or tenant's
8 agent ~~when such agent is acting within the scope of the agency~~
9 ~~relationship~~ THAT ARE NOT APPROVED, DIRECTED, OR RATIFIED BY SUCH
10 BUYER OR TENANT;

11 (5) A BROKER ACTING AS A BUYER'S OR TENANT'S AGENT OWES NO
12 DUTY TO CONDUCT AN INDEPENDENT INSPECTION OF THE PROPERTY FOR
13 THE BENEFIT OF THE BUYER OR TENANT AND OWES NO DUTY TO
14 INDEPENDENTLY VERIFY THE ACCURACY OR COMPLETENESS OF
15 STATEMENTS MADE BY THE SELLER, LANDLORD, OR INDEPENDENT
16 INSPECTORS; EXCEPT THAT NOTHING IN THIS SUBSECTION (5) SHALL BE
17 CONSTRUED TO LIMIT THE BROKER'S DUTIES AND OBLIGATIONS IMPOSED
18 PURSUANT TO SUBSECTION (1) OF THIS SECTION.

19 (6) A BROKER ACTING AS A BUYER'S OR TENANT'S AGENT MAY
20 COOPERATE WITH OTHER BROKERS BUT MAY NOT ENGAGE OR CREATE ANY
21 SUBAGENTS.

22 **SECTION 6.** 12-61-806, Colorado Revised Statutes, is amended
23 to read:

24 **12-61-806. Dual agent.** (1) A broker ~~may act as a~~ SHALL NOT
25 ESTABLISH dual agent ~~only with the informed consent of all parties to the~~
26 ~~transaction. Such informed consent shall be evidenced by a written~~
27 ~~agreement pursuant to section 12-61-808 (2) (e). The seller and buyer or~~

1 ~~the landlord and tenant shall be informed that they may both be~~
2 ~~vicariously liable for the acts of the dual agent when such agent is acting~~
3 ~~within the scope of the dual agency relationship~~ AGENCY WITH ANY
4 SELLER, LANDLORD, BUYER, OR TENANT.

5 (2) ~~A dual agent shall be a limited agent for both the seller and~~
6 ~~buyer or the landlord and tenant and shall have the duties and obligations~~
7 ~~required by sections 12-61-804 and 12-61-805 unless otherwise provided~~
8 ~~for in this section.~~

9 (3) ~~Except as provided for in subsections (4) and (5) of this~~
10 ~~section, a dual agent may disclose any information to one party that such~~
11 ~~agent gains from the other party if such information is relevant to the~~
12 ~~transaction or party.~~

13 (4) ~~The following information shall not be disclosed by a dual~~
14 ~~agent without the informed written consent of the parties to the proposed~~
15 ~~transaction:~~

16 (a) ~~That a buyer or tenant is willing to pay more than the purchase~~
17 ~~price or lease rate offered for the property;~~

18 (b) ~~That a seller or landlord is willing to accept less than the~~
19 ~~asking price or lease rate for the property;~~

20 (c) ~~What the motivating factors are for any party buying, selling,~~
21 ~~or leasing the property;~~

22 (d) ~~That a seller, buyer, landlord, or tenant will agree to financing~~
23 ~~terms other than those offered; and~~

24 (e) ~~Any facts or suspicions regarding circumstances which may~~
25 ~~psychologically impact or stigmatize any real property pursuant to section~~
26 ~~38-35.5-101, C.R.S.~~

27 (5) (a) ~~A dual agent shall not disclose to one party information~~

1 ~~made confidential by statute, regulation, or instructions from the other~~
2 ~~party except for information required to be disclosed pursuant to sections~~
3 ~~12-61-804 (3) and 12-61-805 (3).~~

4 ~~(b) No cause of action by any person shall arise against a dual~~
5 ~~agent for making any required disclosure.~~

6 ~~(c) A dual agent does not terminate the dual agency relationship~~
7 ~~by making any required disclosure.~~

8 ~~(6) In a dual agency relationship there shall be no imputation of~~
9 ~~knowledge or information between any party and the dual agent or among~~
10 ~~persons within an entity engaged as a dual agent.~~

11 **SECTION 7.** 12-61-807 (6) (d) and (8), Colorado Revised
12 Statutes, are amended to read:

13 **12-61-807. Transaction-broker.** (6) A transaction-broker may
14 do the following without breaching any obligation or responsibility:

15 (d) Serve as a single agent ~~subagent, or dual agent~~ OR
16 TRANSACTION-BROKER for the same or for different parties in other real
17 estate transactions.

18 (8) A transaction-broker may cooperate with other brokers but
19 shall not engage OR CREATE any subagents.

20 **SECTION 8.** 12-61-808 (1) (a), (1) (b), (1) (c), (2) (b), (2) (c),
21 (2) (d) (I), and (2) (e), Colorado Revised Statutes, are amended, and the
22 said 12-61-808 (2) is further amended BY THE ADDITION OF A NEW
23 PARAGRAPH, to read:

24 **12-61-808. Broker disclosures.** (1) (a) Any person, firm,
25 partnership, limited liability company, association, or corporation acting
26 as a broker shall adopt a written office policy ~~which~~ THAT identifies and
27 describes the relationships ~~in which such broker may engage with any~~

1 ~~seller, landlord, buyer, or tenant as part of any real estate brokerage~~
2 ~~activities~~ OFFERED TO THE PUBLIC BY SUCH BROKER.

3 (b) A broker shall not be required to offer or engage in any one or
4 in all of the brokerage relationships enumerated in sections 12-61-804, ~~to~~
5 12-61-805, OR 12-61-807.

6 (c) Written disclosures and written agreements required by
7 subsection (2) of this section shall contain a statement to the seller,
8 landlord, buyer, or tenant that different brokerage relationships are
9 available ~~which~~ THAT include buyer agency, seller agency, ~~subagency~~, or
10 STATUS AS A transaction-broker. Should the seller, landlord, buyer, or
11 tenant request information or ask questions concerning a brokerage
12 relationship not offered by the broker pursuant to the broker's written
13 office policy enumerated in subsection (1) (a) of this section, the broker
14 shall provide to the party a written definition of that brokerage
15 relationship ~~which~~ THAT has been promulgated by the Colorado real
16 estate commission.

17 (2) (b) Prior to engaging in any of the activities enumerated in
18 ~~subsection (2) or (3) of~~ section 12-61-101 (2) OR (3), a broker intending
19 to establish a single agency relationship with a seller, landlord, buyer, or
20 tenant shall enter into a written agency agreement with the party to be
21 represented. Such agreement shall disclose the duties and responsibilities
22 specified in section 12-61-804 or 12-61-805, as applicable. ~~including a~~
23 ~~disclosure that the party to be represented may be vicariously liable for~~
24 ~~the acts of the broker and of any subagents while such broker or subagent~~
25 ~~is acting within the scope of the agency relationship.~~ Notice of the single
26 agency relationship shall be furnished to any prospective party to the
27 proposed transaction in a timely manner.

1 (c) ~~Prior to engaging in any of the activities enumerated in~~
2 ~~subsection (2) or (3) of section 12-61-101, a seller's or landlord's agent~~
3 ~~shall execute a written agreement with the seller or landlord specifying~~
4 ~~whether an offer of subagency may be made to any other broker. Such~~
5 ~~agreement shall indicate that a seller or landlord may be held vicariously~~
6 ~~liable for the acts of any subagent.~~

7 (d) (I) Prior to engaging in any of the activities enumerated in
8 ~~subsection (2) or (3) of section 12-61-101 (2) OR (3), a broker intending~~
9 ~~to work with a buyer or tenant as an agent or subagent of the seller OR~~
10 ~~LANDLORD shall provide a written disclosure to such buyer or tenant~~
11 ~~which THAT shall contain the following:~~

12 (A) A statement that the broker is an agent for the seller or
13 landlord and is not an agent for the buyer or tenant; ~~unless the broker~~
14 ~~enters into a written agreement to act as a buyer's or tenant's agent;~~

15 (B) A list of the tasks that the agent ~~acting as a subagent~~ intends
16 to perform FOR THE SELLER OR LANDLORD with the buyer or tenant; and

17 (C) A statement that the buyer or tenant shall not be vicariously
18 liable for the acts of the agent ~~when acting as a subagent~~ UNLESS THE
19 BUYER OR TENANT APPROVES, DIRECTS, OR RATIFIES SUCH ACTS.

20 (e) ~~A broker intending to act as a dual agent shall obtain the~~
21 ~~written agreement of the seller and buyer or landlord and tenant~~
22 ~~permitting the broker to serve as a dual agent in the proposed transaction.~~
23 ~~Such agreement shall disclose and include a recitation of the~~
24 ~~responsibilities and obligations required pursuant to section 12-61-806.~~
25 ~~Such agreement shall also state that the seller and buyer or landlord and~~
26 ~~tenant can both be held vicariously liable for the acts of a dual agent~~
27 ~~when such agent is acting within the scope of the dual agency~~

1 relationship.

2 (g) (I) PRIOR TO ENGAGING IN ANY OF THE ACTIVITIES
3 ENUMERATED IN SECTION 12-61-101 (2) OR (3), THE SELLER, BUYER,
4 LANDLORD, OR TENANT SHALL BE ADVISED IN ANY WRITTEN AGREEMENT
5 WITH A BROKER THAT THE BROKERAGE RELATIONSHIP EXISTS ONLY WITH
6 THE DESIGNATED BROKER, DOES NOT EXTEND TO THE EMPLOYING BROKER
7 OR TO ANY OTHER BROKERS EMPLOYED OR ENGAGED BY THE EMPLOYING
8 BROKER WHO ARE NOT SO DESIGNATED, AND DOES NOT EXTEND TO THE
9 BROKERAGE COMPANY.

10 (II) NOTHING IN THIS PARAGRAPH (g) SHALL BE CONSTRUED TO
11 LIMIT THE EMPLOYING BROKER'S OR FIRM'S RESPONSIBILITY TO SUPERVISE
12 LICENSEES EMPLOYED BY SUCH BROKER OR FIRM NOR TO SHIELD SUCH
13 BROKER OR FIRM FROM VICARIOUS LIABILITY.

14 **SECTION 9.** 12-61-809 (2) (a), Colorado Revised Statutes, is
15 amended to read:

16 **12-61-809. Duration of relationship.** (2) (a) Except as
17 otherwise agreed to in writing and pursuant to paragraph (b) of this
18 subsection (2), a broker engaged as a seller's agent OR buyer's agent
19 ~~subagent, or dual agent~~ owes no further duty or obligation after
20 termination or expiration of the contract or completion of performance.

21 **SECTION 10.** 12-61-810 (3) and (4), Colorado Revised Statutes,
22 are amended to read:

23 **12-61-810. Compensation.** (3) A seller or landlord may agree
24 that a transaction-broker OR single agent ~~or subagent~~ may share the
25 commission or other compensation paid by such seller or landlord with
26 another broker.

27 (4) A buyer or tenant may agree that a single agent OR

1 transaction-broker or ~~subagent~~ may share the commission or other
2 compensation paid by such buyer or tenant with another broker.

3 **SECTION 11. Effective date - applicability.** This act shall take
4 effect January 1, 2003, and shall apply to acts committed on or after said
5 date.

6 **SECTION 12. Safety clause.** The general assembly hereby
7 finds, determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, and safety.