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Office of Research
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Office

H.B. 466
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Schmidt and Brennan

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SUMMARY

- Requires written agency agreements for licensed brokers representing other parties in real estate transactions.

DETAILED ANALYSIS

Real estate agency agreements

Under current law, written agency agreements between real estate brokers and buyers or sellers of real estate are optional. Under the bill, brokers are required to enter into written agency agreements prior to engaging in activities on behalf of the other party. If the broker is working on behalf of a seller, they must enter into the agreement prior to marketing or showing the seller's real estate. If the broker is working on behalf of a buyer, they must enter into the agreement prior to making an offer to purchase or lease real estate on behalf of the buyer.¹

The bill requires that the written agency agreement include, in addition to information required under current law, a statement that the broker is appointed as an agent of the client, an indication of whether the agency relationship is exclusive or nonexclusive, and the terms by which the broker is to be compensated.²

Brokerage policy

Current law requires that a broker working with a seller provide the seller with their brokerage policy on agency prior to marketing or showing the seller's real estate. The bill changes this to require that the policy be provided at the time the parties enter into an agency

¹ R.C. 4735.55(A).

² R.C. 4735.55(A)(5) and (6).

agreement.³ Under current law, a broker working with a buyer must provide the buyer with their brokerage policy prior to the occurrence of any of a list of actions. The bill adds entering into an agency agreement to the list.⁴

Written consent

The bill requires that a broker obtain written consent from the party they are representing in order to represent another party in the real estate transaction.⁵

HISTORY

Action	Date
Introduced	03-27-24

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³ R.C. 4735.56(C).

⁴ R.C. 4735.56(D)(6).

⁵ R.C. 4735.59.