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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 155  
136<sup>th</sup> General Assembly

## Final Analysis

[Click here for S.B. 155's Fiscal Note](#)

**Primary Sponsors:** Sens. Brenner and Ingram

**Effective date:** March 2, 2026

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UPDATED VERSION\*

### SUMMARY

- Requires wholesalers acting as the grantee in a transaction that conveys an interest in residential real property to make certain disclosures to the property owner.
- Allows the property owner to cancel a contract with a wholesaler that fails to make those disclosures, without penalty, any time before the close of escrow.
- Requires the escrow or closing agent to disburse any earnest money paid by a wholesaler to the record owner within 30 days after such a cancellation.
- Specifies that real estate professionals who fail to comply with these requirements are subject to disciplinary action by the Superintendent of Real Estate.

### DETAILED ANALYSIS

#### Overview

The act requires wholesalers to make certain disclosures to the property owner before entering into a contract that conveys an interest in residential real property. Wholesaling is a process whereby a person enters into a contract to purchase property and then transfers, or grants, the right to purchase the property to another person. A wholesaler never actually takes ownership of the property. A wholesaler makes money by either by charging a wholesale fee to the buyer or by charging the buyer a higher price for the real property than the amount that the wholesaler agreed to pay the seller. However, wholesalers, like any other person, are prohibited from engaging in any activity that would require a real estate professionals license without such a license, such as marketing a property to the general public.

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\* This version updates the effective date.

## Key terms

A “wholesaler” is defined under the act as a person or entity that for a fee, commission, or other valuable consideration, enters into a purchase contract for residential real property and assigns or novates that contract to another person or entity. A wholesaler may act in the place of a grantee (purchaser) or grantor (seller) of the residential real property. However, the act’s notice requirements apply only to wholesalers acting in place of the purchaser. The act excludes from the definition an individual who assigns or novates a contract to a blood relative or a person that assigns or novates a contract to a parent, affiliate, subsidiary, or affiliated group under common control with the person.

The act applies only to residential real property that is improved by a building or other structure that has one to four dwelling units.<sup>1</sup>

## Mandatory disclosure

Before entering into a contract that transfers an interest in residential real property, a wholesaler acting in place of the purchaser must provide the record owner with a conspicuous written disclosure statement. The disclosure statement must be separate from the purchase contract or agreement and printed in boldface type in a font size not less than 12 points. The act requires the disclosure statement to be in substantially the following form:

Ohio law requires a wholesaler acting as a grantee, before entering into a contract or agreement that conveys an interest in residential real property, to provide certain information to the record owner in a conspicuous manner printed in boldface type in a font size not less than twelve points. Failure by a wholesaler to present or complete this form is an unfair or deceptive act or practice. Any person who enters into an agreement that conveys an interest in residential real property to a wholesaler acting as a grantee without receiving this disclosure has a cause of action against the wholesaler. A wholesaler acting as a grantee is prohibited from entering into a binding contract to acquire an interest in residential real property unless this statement is signed and dated by the record owner of the property.

The owner acknowledges that the person presenting this document is a wholesaler, as defined by section 5301.95 of the Revised Code, and that all buyers and sellers of real estate are entitled to seek legal or professional advice before entering into any agreement or contract regarding the purchase or sale of property, including an agreement with a wholesaler. A wholesaler is acting on the wholesaler’s own behalf and does not represent the owner in this transaction. A wholesaler enters assignable

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<sup>1</sup> R.C. 5301.95(A).

contracts with owners and seeks to sell or assign the wholesaler's interest for a profit. The wholesaler may assign the wholesaler's interest in the purchase contract to a third party without the owner's consent before closing. The wholesaler may charge a fee to the third-party buyer separately for profit. The agreed purchase price between the owner and wholesaler may be below market value and is conveyed voluntarily.

The owner acknowledges disclosure of the information provided in this form by signing and dating below:

\_\_\_\_\_ (Property owner signature) \_\_\_\_\_ (date)

\_\_\_\_\_ (Wholesaler signature) \_\_\_\_\_ (date)

A wholesaler acting as the grantee is prohibited from entering into a binding contract that transfers an interest in residential real property until both the wholesaler and the record owner of the property sign and date this disclosure statement required by the act.<sup>2</sup>

## **Enforcement**

If a wholesaler acting in place of the purchaser fails to make the disclosures required by the act, the record owner may cancel the contract at any time before the close of escrow without penalty. The act requires the escrow or closing agent to disburse any earnest money paid by the wholesaler to the record owner within 30 days after such cancelation.

The act prohibits a wholesaler from attempting to modify or waive the disclosure requirements and remedies through an oral or written agreement. Any portion of an agreement that is executed, modified, or extended after the effective date of the provision that modifies or waives a duty to disclose is void and enforceable.

A violation of the act's requirements is an unfair or deceptive practice under the Consumer Sales Practices Act (CSPA). A party that enters into an agreement without receiving the disclosure required in the act has a cause of action against a wholesaler and is entitled to the same relief available to a consumer under the CSPA. All powers and remedies available to the Attorney General to enforce the CSPA are available to the Attorney General to enforce the requirements of the act.<sup>3</sup> The CSPA allows consumers, via private lawsuit, to recover actual economic damages plus an amount of no more than \$5,000.<sup>4</sup>

## **Real estate professionals**

The act expands those practices for which a real estate professional can be disciplined to include failure to comply with the act's wholesale disclosure requirements. The Superintendent

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<sup>2</sup> R.C. 5301.95(B).

<sup>3</sup> R.C. 5301.95(C).

<sup>4</sup> R.C. 1345.02(A), not in the act.

of Real Estate is authorized to impose the following administrative penalties against a person who commits one of these practices:

- Revocation of license;
- Suspension of license for a term set by the Superintendent;
- Impose a fine of no more than \$2,500 per violation;
- Issue a public reprimand.<sup>5</sup>

The act expands those instances in which escrow accounts release earnest funds held to include those situations where a wholesale transaction by the record owner of residential property due to a wholesaler failing to make the required disclosure.<sup>6</sup>

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## HISTORY

Action	Date
Introduced	03-25-25
Reported, S. Judiciary	05-28-25
Passed, Senate (33-0)	06-04-25
Reported, H. Development	10-28-25
Passed, House (93-0)	10-29-25
Senate concurred in House amendments (33-0)	11-05-25

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<sup>5</sup> R.C. 4735.18(A)(40).

<sup>6</sup> R.C. 4735.24(A)(4).