

2005 ASSEMBLY BILL 783

1 **AN ACT** *to repeal* 452.01 (2) (d), 452.01 (2) (e), 452.01 (2) (f), 452.01 (2) (g), 452.01
2 (5m) (d) and 452.137; *to renumber and amend* 452.133 (2) (a); *to amend*
3 452.01 (1m), 452.01 (2) (a), 452.01 (2) (b), 452.01 (2) (h), 452.01 (3e), 452.01 (4d),
4 452.01 (4h), 452.01 (4p), 452.01 (4t), 452.01 (5m) (intro.), 452.01 (5m) (a), 452.01
5 (5m) (c), 452.01 (5r), 452.01 (7), 452.12 (3), 452.133 (1) (intro.), 452.133 (1) (a),
6 452.133 (1) (b), 452.133 (1) (c), 452.133 (1) (d), 452.133 (1) (e), 452.133 (1) (f),
7 452.133 (1) (g), 452.133 (2) (intro.), 452.133 (2) (b), 452.133 (2) (c), 452.138,
8 452.139 (1) and 452.14 (3) (f); *to repeal and recreate* 452.135; and *to create*
9 452.01 (2) (bm), 452.01 (3w), 452.01 (5j), 452.01 (5w), 452.01 (7r), 452.133 (2)
10 (a) 2., 452.133 (2) (am), 452.133 (2) (d), 452.133 (4) and (5), 452.133 (6) and

ASSEMBLY BILL 783

1 452.134 of the statutes; **relating to:** duties of real estate brokers and
2 salespersons.

Analysis by the Legislative Reference Bureau

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 452.01 (1m) of the statutes is amended to read:

4 452.01 **(1m)** “Agency agreement” means a written agreement between a broker
5 and a client under s. 452.135 (1) in which the client authorizes the broker to provide
6 brokerage services to the client.

7 **SECTION 2.** 452.01 (2) (a) of the statutes is amended to read:

8 452.01 **(2)** (a) For another person, and for commission, money, or other thing
9 of value, negotiates or offers or attempts to negotiate a sale, exchange, purchase, or
10 rental of, or the granting or acceptance of an option to sell, exchange, purchase, or
11 rent, an interest or estate in real estate, a time share, or a business or its goodwill,
12 inventory, or fixtures, whether or not the business includes real property.

13 **SECTION 3.** 452.01 (2) (b) of the statutes is amended to read:

14 452.01 **(2)** (b) Is engaged wholly or in part in the business of selling or
15 exchanging interests or estates in real estate or businesses, including businesses’
16 goodwill, inventory, or fixtures, whether or not the business includes real property,
17 to the extent that a pattern of real-estate sales or exchanges is established, whether
18 or not ~~such~~ the person owns the real estate is owned by such person or businesses.
19 Five sales or exchanges in one year or 10 sales or exchanges in 5 years is presumptive
20 evidence of a pattern of sales or exchanges.

21 **SECTION 4.** 452.01 (2) (bm) of the statutes is created to read:

ASSEMBLY BILL 783

1 452.01 (2) (bm) For another person, and for commission, money, or other thing
2 of value shows real estate or a business or its inventory or fixtures, whether or not
3 the business includes real property, except that this paragraph does not include
4 showing a property that is offered exclusively for rent.

5 **SECTION 5.** 452.01 (2) (d) of the statutes is repealed.

6 **SECTION 6.** 452.01 (2) (e) of the statutes is repealed.

7 **SECTION 7.** 452.01 (2) (f) of the statutes is repealed.

8 **SECTION 8.** 452.01 (2) (g) of the statutes is repealed.

9 **SECTION 9.** 452.01 (2) (h) of the statutes is amended to read:

10 452.01 (2) (h) For another person, and for ~~a~~ commission, money, or other thing
11 of value, promotes the sale, exchange, purchase, option, rental, or leasing of real
12 estate, a time share, or a business opportunities or its goodwill, inventory, or fixtures,
13 whether or not the business includes real property. This paragraph does not apply
14 to a person who only publishes or disseminates verbatim information provided by
15 another person.

16 **SECTION 10.** 452.01 (3e) of the statutes is amended to read:

17 452.01 (3e) “Brokerage service” means any service described under sub. (2) ~~(a)~~
18 ~~to (h)~~ provided by a broker to another person.

19 **SECTION 11.** 452.01 (3w) of the statutes is created to read:

20 452.01 (3w) “Designated agency” means a multiple representation
21 relationship in which each client of the broker in the multiple representation
22 relationship receives negotiation services from the broker only from employees of the
23 broker who are not providing negotiation services to any other client of the broker
24 in the transaction.

25 **SECTION 12.** 452.01 (4d) of the statutes is amended to read:

ASSEMBLY BILL 783**SECTION 12**

1 452.01 **(4d)** “Employ~~er,~~” when used in reference to a broker employing another
2 broker, a salesperson, or a time-share salesperson, ~~includes~~ means engaging the
3 services of another broker, a salesperson, or a time-share salesperson ~~who provides~~
4 to provide brokerage services to the broker broker’s clients and customers on behalf
5 of the broker and under the broker’s supervision, including engaging a broker,
6 salesperson, or time-share salesperson as an independent contractor.

7 **SECTION 13.** 452.01 (4h) of the statutes is amended to read:

8 452.01 **(4h)** “Employee~~er,~~” when used in reference to an employee of a broker,
9 ~~includes~~ means another broker, a salesperson, or a time-share salesperson who
10 provides brokerage services to the broker broker’s clients and customers on behalf
11 of the broker and under the broker’s supervision, including a broker, salesperson, or
12 time-share salesperson engaged by the broker as an independent contractor.

13 **SECTION 14.** 452.01 (4p) of the statutes is amended to read:

14 452.01 **(4p)** “Employer~~er,~~” when used in reference to a broker who is the
15 employer of another broker, a salesperson, or a time-share salesperson, ~~includes~~
16 means a broker who engages the services of another broker, a salesperson, or a
17 time-share salesperson ~~who provides services to the broker to provide brokerage~~
18 services to the broker’s clients and customers on behalf of the broker and under the
19 broker’s supervision, including a broker who engages the services of another broker,
20 salesperson, or time-share salesperson as an independent contractor.

21 **SECTION 15.** 452.01 (4t) of the statutes is amended to read:

22 452.01 **(4t)** “Employment~~er,~~” when used in reference to a broker’s employment
23 of another broker, a salesperson, or a time-share salesperson, ~~includes~~ means the
24 state of ~~providing~~ being engaged by a broker to provide services to the broker by the
25 other broker’s clients and customers on behalf of the broker and under the broker’s

ASSEMBLY BILL 783**SECTION 15**

1 ~~supervision, including being engaged by the employing broker, the salesperson or the~~
2 ~~time-share salesperson as an independent contractor.~~

3 **SECTION 16.** 452.01 (5j) of the statutes is created to read:

4 452.01 **(5j)** “Multiple representation relationship” means a relationship
5 between a broker and 2 or more of the broker’s clients in which the clients are parties
6 in the same transaction.

7 **SECTION 17.** 452.01 (5m) (intro.) of the statutes is amended to read:

8 452.01 **(5m)** (intro.) “Negotiate” means to ~~act as an intermediary between the~~
9 ~~parties to a transaction provide to a party assistance within the scope of the~~
10 ~~knowledge, skills, and training required under this chapter in developing a proposal~~
11 ~~or agreement relating to a transaction, including doing any of the following:~~

12 **SECTION 18.** 452.01 (5m) (a) of the statutes is amended to read:

13 452.01 **(5m)** (a) ~~Facilitating~~ Acting as an intermediary by facilitating or
14 participating in the parties’ discussion of the terms of a contract or agreement
15 concerning communications between parties related to the parties’ interests in a
16 transaction. In this paragraph, providing advice or opinions on matters that are
17 material to a transaction in which a person is engaged or intends to engage or
18 showing a party real estate does not, in and of itself, constitute acting as an
19 intermediary by facilitating or participating in communications between parties.

20 **SECTION 19.** 452.01 (5m) (c) of the statutes is amended to read:

21 452.01 **(5m)** (c) Presenting to a party the proposals of other parties to the
22 transaction and ~~informing the party receiving a proposal of the advantages and~~
23 ~~disadvantages giving the party a general explanation of the provisions of the~~
24 proposal.

25 **SECTION 20.** 452.01 (5m) (d) of the statutes is repealed.

ASSEMBLY BILL 783**SECTION 21**

1 **SECTION 21.** 452.01 (5r) of the statutes is amended to read:

2 452.01 **(5r)** “Party” means a person seeking to sell, exchange, buy or rent an
3 ~~interest in real estate, a business or a business opportunity.~~ “Party” includes a
4 ~~person who seeks to grant or accept an option to buy, sell or rent an interest in real~~
5 ~~estate, a business or a business opportunity~~ engage in a transaction.

6 **SECTION 22.** 452.01 (5w) of the statutes is created to read:

7 452.01 **(5w)** “Principal broker” means a broker who engages a subagent to
8 provide brokerage services in a transaction.

9 **SECTION 23.** 452.01 (7) of the statutes is amended to read:

10 452.01 **(7)** “Salesperson” means any person other than a broker or time-share
11 salesperson who is employed by a broker ~~to perform any act authorized by this~~
12 ~~chapter to be performed by a broker.~~

13 **SECTION 24.** 452.01 (7r) of the statutes is created to read:

14 452.01 **(7r)** “Subagent” means a broker who is engaged by another broker to
15 provide brokerage services in a transaction, but who is not the other broker’s
16 employee.

17 **SECTION 25.** 452.12 (3) of the statutes is amended to read:

18 452.12 **(3)** **BROKER’S LIABILITY FOR ACTS OF EMPLOYEES.** Each broker shall
19 supervise, and is responsible for, the acts of, brokerage services provided on behalf
20 of the broker by any broker, salesperson, or time-share salesperson employed by who
21 is an employee of the broker.

22 **SECTION 26.** 452.133 (1) (intro.) of the statutes is amended to read:

23 452.133 **(1)** **BROKER’S DUTIES TO ALL PARTIES TO PERSONS IN A TRANSACTION.** (intro.)
24 ~~In A broker who is providing brokerage services to a party to person in a transaction,~~
25 ~~a broker shall do all of the following~~ owes all of the following duties to the person:

ASSEMBLY BILL 783

1 **SECTION 27.** 452.133 (1) (a) of the statutes is amended to read:

2 452.133 (1) (a) ~~Provide~~ The duty to provide brokerage services to all parties to
3 the transaction honestly, and fairly and in good faith.

4 **SECTION 28.** 452.133 (1) (b) of the statutes is amended to read:

5 452.133 (1) (b) ~~Diligently exercise~~ The duty to provide brokerage services with
6 reasonable skill and care ~~in providing brokerage services to all parties.~~

7 **SECTION 29.** 452.133 (1) (c) of the statutes is amended to read:

8 452.133 (1) (c) ~~Disclose to each party~~ The duty to timely disclose in writing all
9 material adverse facts that the broker knows and that the party person does not
10 know or cannot discover through reasonably vigilant observation, unless the
11 disclosure of a material adverse fact is prohibited by law.

12 **SECTION 30.** 452.133 (1) (d) of the statutes is amended to read:

13 452.133 (1) (d) ~~Keep~~ The duty to keep confidential any information given to the
14 broker in confidence, or any information obtained by the broker that he or she knows
15 a reasonable party person would want to be kept confidential, unless the information
16 must be disclosed under par. (c) or s. 452.23 or is otherwise required by law to be
17 disclosed or the party person whose interests may be adversely affected by the
18 disclosure specifically authorizes the disclosure of particular confidential
19 information. A broker shall continue to keep the information confidential after the
20 transaction is complete and after the broker is no longer providing brokerage
21 services to the party person.

22 **SECTION 31.** 452.133 (1) (e) of the statutes is amended to read:

23 452.133 (1) (e) ~~Provide~~ The duty to provide accurate information about market
24 conditions that affect ~~a~~ the person's transaction, ~~to any party who requests the~~

ASSEMBLY BILL 783**SECTION 31**

1 information, within a reasonable time of after the party's person's request, unless
2 disclosure of the information is prohibited by law.

3 **SECTION 32.** 452.133 (1) (f) of the statutes is amended to read:

4 452.133 (1) (f) ~~Account for all~~ The duty to safeguard trust funds and other
5 property coming into the possession of a held by the broker that belongs to any party
6 within a reasonable time of receiving the property as required by rules promulgated
7 by the department under s. 452.13 (5).

8 **SECTION 33.** 452.133 (1) (g) of the statutes is amended to read:

9 452.133 (1) (g) When the broker is negotiating on behalf of a party, the duty to
10 present contract proposals in an objective and unbiased manner and disclose the
11 advantages and disadvantages of the proposals.

12 **SECTION 34.** 452.133 (2) (intro.) of the statutes is amended to read:

13 452.133 (2) **BROKER'S DUTIES TO A CLIENT.** (intro.) ~~In addition to his or her duties~~
14 ~~under sub. (1), a~~ A broker providing brokerage services to his or her client shall do
15 owes the client the duties that the broker owes to a person under sub. (1) and all of
16 the following additional duties:

17 **SECTION 35.** 452.133 (2) (a) of the statutes is renumbered 452.133 (2) (a) (intro.)
18 and amended to read:

19 452.133 (2) (a) (intro.) ~~Loyally~~ The duty to loyally represent the client's
20 interests by ~~placing~~ doing all of the following:

21 1. Placing the client's interests ahead of the broker's interests of any other
22 party, unless loyalty to a client violates the broker's duties under sub. (1) or s. 452.137
23 (2).

24 **SECTION 36.** 452.133 (2) (a) 2. of the statutes is created to read:

ASSEMBLY BILL 783

1 452.133 (2) (a) 2. Placing the client's interests ahead of the interests of persons
2 in the transaction who are not the broker's clients by not disclosing to persons in the
3 transaction other than the broker's clients information or advice the disclosure of
4 which is contrary to the interests of a client of the broker, unless the disclosure is
5 required by law.

6 **SECTION 37.** 452.133 (2) (am) of the statutes is created to read:

7 452.133 (2) (am) The duty to provide, when requested by the client, information
8 and advice to the client on matters that are material to the client's transaction and
9 that are within the scope of the knowledge, skills, and training required under this
10 chapter.

11 **SECTION 38.** 452.133 (2) (b) of the statutes is amended to read:

12 452.133 (2) (b) ~~Disclose~~ The duty to disclose to the client all information known
13 by the broker that is material to the transaction and that is not known by the client
14 or discoverable by the client through reasonably vigilant observation, except for
15 confidential information under sub. (1) (d) and other information the disclosure of
16 which is prohibited by law.

17 **SECTION 39.** 452.133 (2) (c) of the statutes is amended to read:

18 452.133 (2) (c) ~~Fulfill~~ The duty to fulfill any obligation required by the agency
19 agreement, and any order of the client that is within the scope of the agency
20 agreement, that are is not inconsistent with another duty that the broker has under
21 this chapter or any other law.

22 **SECTION 40.** 452.133 (2) (d) of the statutes is created to read:

23 452.133 (2) (d) The duty to negotiate on behalf of the client.

24 **SECTION 41.** 452.133 (4) and (5) of the statutes are created to read:

ASSEMBLY BILL 783**SECTION 41**

1 452.133 **(4)** SUBAGENT'S DUTIES. (a) A subagent owes all persons to whom a
2 broker is providing brokerage services in a transaction the duties specified in sub.
3 (1) but does not owe the clients of the principal broker the duties under sub. (2).

4 (b) A subagent may not do any of the following:

5 1. Place the subagent's interests ahead of the interests of the clients of the
6 principal broker in the transaction in which the subagent has been engaged by the
7 principal broker.

8 2. Provide advice or opinions to parties in the transaction if providing the
9 advice or opinions is contrary to the interests of the clients of the principal broker in
10 the transaction in which the subagent has been engaged by the principal broker,
11 unless required by law.

12 **(5)** DUTIES WITHOUT AGENCY OR SUBAGENCY RELATIONSHIP. If a broker is providing
13 brokerage services to a person who is a party or a prospective party to a transaction,
14 and the broker does not have an agency agreement with the person and is not a
15 subagent of another broker in the transaction, then the broker owes the person the
16 duties under sub. (1) and may not, unless required by law, provide advice or opinions
17 relating to the transaction in which the person is receiving brokerage services if
18 providing the advice or opinions is contrary to the interests of a party to a current
19 or prospective transaction with the person receiving the brokerage services.

20 **SECTION 42.** 452.133 (6) of the statutes is created to read:

21 452.133 **(6)** WAIVER OF DUTIES. The duties imposed by subs. (1), (2) (a), (am), (b),
22 and (c), (4), and (5) may not be waived. A client may waive, in part or in full, the
23 broker's duty under sub. (2) (d), except that a waiver under this subsection is not
24 effective unless the broker provides to the client a written disclosure containing all
25 of the following:

ASSEMBLY BILL 783**SECTION 42**

1 (a) A copy of the text of sub. (2) (d) and s. 452.01 (5m), and a statement that,
2 as a consequence of the client's waiver, the broker will have no legal duty to perform
3 the duty imposed by sub. (2) (d).

4 (b) A statement that as a consequence of the client's waiver, the client may
5 require the assistance of an attorney or another service provider to fulfill the client's
6 goals and contractual duties in the transaction.

7 **SECTION 43.** 452.134 of the statutes is created to read:

8 **452.134 Agency relationships; multiple representation relationships.**

9 **(1) AGENCY RELATIONSHIP NOT REQUIRED.** (a) Subject to par. (b), a broker may provide
10 brokerage services to any person in a transaction, whether or not the broker has
11 entered into an agency agreement with a party to the transaction or the broker has
12 been engaged to provide brokerage services in the transaction as a subagent.

13 (b) A broker may not negotiate on behalf of a party to a transaction unless a
14 party to the transaction is one of the following:

15 1. The broker's client.

16 2. A client of a principal broker who has engaged the broker as a subagent.

17 **(2) MULTIPLE REPRESENTATION RELATIONSHIPS; CONSENT REQUIRED.** A broker may
18 not provide brokerage services in a multiple representation relationship unless all
19 of the broker's clients in the multiple representation relationship have consented to
20 a multiple representation relationship in writing.

21 **(3) DESIGNATED AGENCY; CONSENT REQUIRED.** (a) A broker in a multiple
22 representation relationship may not engage in designated agency unless all of the
23 broker's clients in the relationship have consented to designated agency in writing.
24 A client may withdraw consent to designated agency by written notice to the broker
25 at any time.

ASSEMBLY BILL 783**SECTION 43**

1 (b) If a broker is engaged in designated agency, the broker's employee who is
2 negotiating on behalf of a client of the broker in the transaction may provide to the
3 client on whose behalf the employee is negotiating information, opinions, and advice
4 to assist the client in the negotiations, whether or not the information, opinions, and
5 advice place the interests of one of the broker's clients ahead of the interests of
6 another client of the broker.

7 (4) MULTIPLE REPRESENTATIONS RELATIONSHIP WITHOUT DESIGNATED AGENCY. If a
8 broker's client in a multiple representation relationship does not consent to
9 designated agency or withdraws consent to designated agency, the broker and the
10 broker's employees may not place the interests of any client ahead of the interests
11 of any other in the negotiations.

12 **SECTION 44.** 452.135 of the statutes is repealed and recreated to read:

13 **452.135 Disclosure of duties. (1)** (a) A broker may not negotiate on behalf
14 of a party who is not the broker's client unless the broker provides to the party a copy
15 of the following written disclosure statement:

16 **BROKER DISCLOSURE TO CUSTOMERS**

17 You are a customer of the broker. The broker is either an agent of another party
18 in the transaction or a subagent of another broker who is the agent of another party
19 in the transaction. The broker, or a salesperson acting on behalf of the broker, may
20 provide brokerage services to you. Whenever the broker is providing brokerage
21 services to you, the broker owes you, the customer, the following duties:

22 The duty to provide brokerage services to you fairly and honestly.

23 The duty to exercise reasonable skill and care in providing brokerage services
24 to you.

ASSEMBLY BILL 783**SECTION 44**

1 The duty to provide you with accurate information about market conditions
2 within a reasonable time if you request it, unless disclosure of the information is
3 prohibited by law.

4 The duty to disclose to you in writing certain material adverse facts about a
5 property, unless disclosure of the information is prohibited by law.

6 The duty to protect your confidentiality. Unless the law requires it, the broker
7 will not disclose your confidential information or the confidential information of
8 other parties.

9 The duty to safeguard trust funds and other property the broker holds.

10 The duty, when negotiating, to present contract proposals in an objective and
11 unbiased manner and disclose the advantages and disadvantages of the proposals.

12 Please review this information carefully. A broker or salesperson can answer
13 your questions about brokerage services, but if you need legal advice, tax advice, or
14 a professional home inspection, contact an attorney, tax advisor, or home inspector.

15 This disclosure is required by section 452.135 of the Wisconsin statutes and is
16 for information only. It is a plain-language summary of a broker's duties to a
17 customer under section 452.133 (1) of the Wisconsin statutes.

18 (b) If a broker is providing brokerage services as a subagent to a principal
19 broker, the broker shall provide a copy of the written disclosure statement under par.

20 (a) to any person who is not the principal broker's client and who receives brokerage
21 services from the broker within the scope of the agreement between the broker and
22 the principal broker.

23 **(2)** (a) Except as provided in sub. (b), a broker shall provide to a client a copy
24 of the following written disclosure statement not later than the time the broker
25 enters into an agency agreement with the client:

ASSEMBLY BILL 783**SECTION 44**1 **BROKER DISCLOSURE TO CLIENTS**

2 Under Wisconsin law, a broker owes certain duties to all parties to a
3 transaction:

4 The duty to provide brokerage services to you fairly and honestly.

5 The duty to exercise reasonable skill and care in providing brokerage services
6 to you.

7 The duty to provide you with accurate information about market conditions
8 within a reasonable time if you request it, unless disclosure of the information is
9 prohibited by law.

10 The duty to disclose to you in writing certain material adverse facts about a
11 property, unless disclosure of the information is prohibited by law.

12 The duty to protect your confidentiality. Unless the law requires it, the broker
13 will not disclose your confidential information or the confidential information of
14 other parties.

15 The duty to safeguard trust funds and other property the broker holds.

16 The duty, when negotiating, to present contract proposals in an objective and
17 unbiased manner and disclose the advantages and disadvantages of the proposals.

18 Because you have entered into an agency agreement with a broker, you are the
19 broker's client. A broker owes additional duties to a client.

20 The broker will provide, at your request, information and advice on real estate
21 matters that affect your transaction, unless you release the broker from this duty.

22 The broker must provide you with all material facts affecting the transaction, not
23 just adverse facts.

24 The broker will fulfill the broker's obligations under the agency agreement and
25 fulfill your lawful requests that are within the scope of the agency agreement.

ASSEMBLY BILL 783

1 The broker will negotiate for you, unless you release the broker from this duty.

2 The broker will not place the broker's interests ahead of your interests. The
3 broker will not, unless required by law, give information or advice to other parties
4 who are not the broker's clients, if giving the information or advice is contrary to your
5 interests.

6 If you become involved in a transaction in which another party is also the
7 broker's client (a "multiple representation relationship"), different duties may apply.

8 **MULTIPLE REPRESENTATION RELATIONSHIPS AND DESIGNATED**
9 **AGENCY**

10 A multiple representation relationship exists if a broker has an agency
11 agreement with more than one client who is a party in the same transaction. In a
12 multiple representation relationship, if all of the broker's clients in the transaction
13 consent, the broker may provide services to the clients through designated agency.

14 Designated agency means that different salespersons employed by the broker
15 will negotiate on behalf of you and the other client or clients in the transaction, and
16 the broker's duties will remain the same. Each salesperson will provide information,
17 opinions, and advice to the client for whom the salesperson is negotiating, to assist
18 the client in the negotiations. Each client will be able to receive information,
19 opinions, and advice that will assist the client, even if the information, opinions, or
20 advice gives the client advantages in the negotiations over the broker's other clients.
21 A salesperson will not reveal any of your confidential information to another party
22 unless required to do so by law.

23 If a designated agency relationship is not in effect you may authorize or reject
24 a multiple representation relationship. If you authorize a multiple representation
25 relationship the broker may provide brokerage services to more than one client in a

ASSEMBLY BILL 783

SECTION 44

1 transaction but neither the broker nor any of the broker’s salespersons may assist
2 any client with information, opinions, and advice which may favor the interests of
3 one client over any other client. If you do not consent to a multiple representation
4 relationship the broker will not be allowed to provide brokerage services to more than
5 one client in the transaction.

6 INITIAL ONLY ONE OF THE THREE LINES BELOW:

7 _____I consent to designated agency.

8 _____I consent to multiple representation relationships, but I do not consent
9 to designated agency.

10 _____I reject multiple representation relationships.

11 NOTE: YOU MAY WITHDRAW YOUR CONSENT TO DESIGNATED
12 AGENCY OR TO MULTIPLE REPRESENTATION RELATIONSHIPS BY
13 WRITTEN NOTICE TO THE BROKER AT ANY TIME. YOUR BROKER IS
14 REQUIRED TO DISCLOSE TO YOU IN YOUR AGENCY AGREEMENT THE
15 COMMISSION OR FEES THAT YOU MAY OWE TO YOUR BROKER. IF YOU
16 HAVE ANY QUESTIONS ABOUT THE COMMISSION OR FEES THAT YOU MAY
17 OWE BASED UPON THE TYPE OF AGENCY RELATIONSHIP YOU SELECT
18 WITH YOUR BROKER YOU SHOULD ASK YOUR BROKER BEFORE SIGNING
19 THE AGENCY AGREEMENT.

20 SUBAGENCY

21 The broker may, with your authorization in the agency agreement, engage
22 other brokers who assist your broker by providing brokerage services for your
23 benefit. A subagent will not put the subagent’s own interests ahead of your interests.
24 A subagent will not, unless required by law, provide advice or opinions to other
25 parties if doing so is contrary to your interests.

ASSEMBLY BILL 783

1 Please review this information carefully. A broker or salesperson can answer
2 your questions about brokerage services, but if you need legal advice, tax advice, or
3 a professional home inspection, contact an attorney, tax advisor, or home inspector.

4 This disclosure is required by s. 452.135 of the Wisconsin statutes and is for
5 information only. It is a plain-language summary of a broker's duties to you under
6 section 452.133 (3) of the Wisconsin statutes.

7 (b) If a client enters into an agency agreement with a broker to receive
8 brokerage services related to real estate primarily intended for use as a residential
9 property containing one to 4 dwelling units, and the written disclosure statement
10 under par. (a) is not incorporated into the agency agreement, the broker shall request
11 the client's signed acknowledgment that the client has received a copy of the written
12 disclosure statement.

13 **SECTION 45.** 452.137 of the statutes is repealed.

14 **SECTION 46.** 452.138 of the statutes is amended to read:

15 **452.138 Brokers providing services in more than one transaction.** A
16 broker may provide brokerage services simultaneously to more than one party in
17 different transactions unless the broker agrees with a client that the broker is to
18 provide brokerage services only to that client. If the broker and a client agree that
19 the broker is to provide brokerage services only to that client, the agency agreement
20 under s. 452.135 (1) shall contain a statement of that agreement.

21 **SECTION 47.** 452.139 (1) of the statutes is amended to read:

22 452.139 (1) ~~FIDUCIARY~~ COMMON LAW DUTIES OF BROKER. The duties of a broker
23 specified in this chapter or in rules promulgated under this chapter shall supersede
24 any ~~fiduciary duties of a broker to a party based on~~ duties or obligations under
25 common law ~~principles of agency~~ to the extent that those common law ~~fiduciary~~

ASSEMBLY BILL 783**SECTION 47**

1 duties or obligations are inconsistent with the duties specified in this chapter or in
2 rules promulgated under this chapter.

3 **SECTION 48.** 452.14 (3) (f) of the statutes is amended to read:

4 452.14 (3) (f) Accepted from any person except the broker's, salesperson's, or
5 time-share salesperson's employer, if the broker, salesperson, or time-share
6 salesperson is employed as a salesperson or time-share salesperson by a broker, a
7 commission or valuable consideration as a salesperson or time-share salesperson for
8 the performance of any act specified in this chapter or as compensation for referring
9 a person to another broker, salesperson, or time-share salesperson or to any other
10 person in connection with a real estate transaction;

11 **SECTION 49. Initial applicability.**

12 (1) The treatment of sections 452.133 (1) (intro.) (a), (b), (c), (d), (e), (f), and (g),
13 (2) (intro.), (am), (b), (c), and (d), (4), (5), and (6) and 452.134 of the statutes, the
14 renumbering and amendment of section 452.133 (2) (a) of the statutes, and the
15 creation of section 452.133 (2) (a) 2. of the statutes first apply to agency agreements
16 entered into, modified, or renewed on the effective date of this subsection.

17 (2) The treatment of section 452.12 (3) of the statutes first applies to brokerage
18 services provided on the effective date of this subsection.

19 **SECTION 50. Effective date.**

20 (1) This act takes effect on the first day of the 6th month beginning after the
21 effective date of this subsection.

22 (END)