

2013 DRAFTING REQUEST**Senate Amendment (SA-SB457)**

Received: 1/24/2014 Received By: mgallagh
 Wanted: As time permits Same as LRB: a1516
 For: Luther Olsen (608) 266-0751 By/Representing: Amy H.
 May Contact: Drafter: mgallagh
 Subject: Occupational Reg. - misc Addl. Drafters:
 Extra Copies:

Submit via email: YES
 Requester's email: Sen.Olsen@legis.wisconsin.gov
 Carbon copy (CC) to: michael.gallagher@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Listing agreement limitation; penalty clause

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	mgallagh 1/27/2014	jdye 1/27/2014	rschluet 1/24/2014	_____	srose 1/24/2014	srose 1/24/2014	
/2	mgallagh 1/27/2014	evinz 1/27/2014	rschluet 1/27/2014	_____	mbarman 1/27/2014	mbarman 1/27/2014	
/3			jmurphy 1/27/2014	_____	srose 1/27/2014	srose 1/27/2014	

FE Sent For:

<END>

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FE Sent For: 13 eev 1/27/14 13 eev 1/27/14 *jm* 1/27
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FE Sent For: *2/27 jld* *jd* *[Signature]*
<END> *12/2/14*

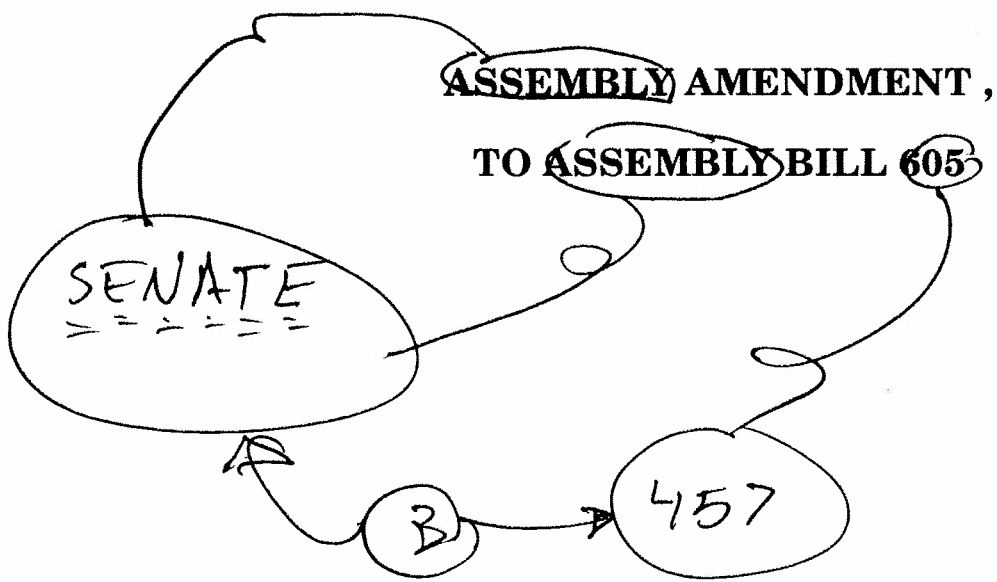


LRB 1516/1
MPG: ^:...

JLD

a1517/1

- Companion EMR
- No other changes



- 1 At the locations indicated, amend the bill as follows:
- 2 **1.** Page 3, line 18: delete “all transactions” and substitute “the listing
- 3 agreement that is”. ✓
- 4 **2.** Page 3, line 18: after “agreement.” insert “Each cooperative agreement may
- 5 cover only one listing agreement”. ✓
- 6 **3.** Page 6, line 18: after “\$5,000” insert “or 5 percent of the purchase price or
- 7 the lease or rental value, as determined by the board, of the property subject to the
- 8 cooperative agreement, whichever is greater”. ✓
- 9 (END)

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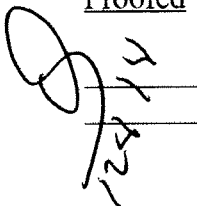
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/1	mgallagh	1/24 jld	jd				

FE Sent For:

<END>

Gallagher, Michael

From: Rossetto, Matt
Sent: Thursday, January 23, 2014 5:38 PM
To: Harriman, Amy
Cc: Duchek, Michael; Gallagher, Michael
Subject: Re: AB 605/SB 457

Sent from my iPhone

On Jan 23, 2014, at 17:36, "Harriman, Amy" <Amy.Harriman@legis.wisconsin.gov> wrote:

Mike-

Senator Olsen will need a companion amendment as Matt mentioned. The Senate Committee on Insurance and Housing will be holding an Exec on the 30th - just so you know.

Thanks,

Amy Harriman

Senator Luther Olsen

14th Senate District

608-266-0751

amy.harriman@legis.wisconsin.gov

[Senator Olsen on Facebook](#)

From: Rossetto, Matt
Sent: Thursday, January 23, 2014 5:12 PM
To: Duchek, Michael
Cc: Harriman, Amy
Subject: AB 605/SB 457

Hi Mike-

Please draft an amendment to the above mentioned bills with the following changes:

Amendment to SB457/AB605:

1) To clarify that the cooperative agreement may only be entered into as to properties the licensed broker has listed in the state of Wisconsin.

Page 3, Lines 17-18 modify to read: 1. Enters into a cooperative agreement with a licensed broker and cooperates with the licensed broker on ~~all transactions~~ each listing agreement subject to the cooperative agreement.

2) To avoid a Wisconsin broker from entering into one cooperative agreement with an out-of-state broker to cover multiple properties, insert language that provides that a separate cooperative agreement must be entered into for each listing agreement.

Page 3, section 3 after line 21 add a new sub 3. to read: A separate cooperative agreement must be entered into for each individual listing agreement.

3) Modify the penalty provision to increase the penalty for transactions that violate the statute once it reaches \$500,000.

Page 6, lines 17-18 modify to read: Notwithstanding s. 452.17 (3), any person who violates this section or a rule promulgated under this section may be fined not more than \$5,000 or 1% of purchase price, whichever is greater, for each violation.

Amy Harriman with Sen. Olsen's office will confirm her office's approval of this as well. We'd like this as soon as possible, please—the Senate is likely to exec this bill next week. Please let me know if you have questions.

Matt

Matt Rossetto
Office of Representative Dean Knudson
30th Assembly District
(608) 266-1526

Gallagher, Michael

From: Rossetto, Matt
Sent: Friday, January 24, 2014 8:41 AM
To: Gallagher, Michael
Cc: Harriman, Amy
Subject: Re: AB 605/SB 457

My apologies, the penalty provision should also apply to leases. 5k or 1% of lease value, whichever is greater.

Sent from my iPhone

On Jan 24, 2014, at 8:31, "Gallagher, Michael" <Michael.Gallagher@legis.wisconsin.gov> wrote:

Got it.

Mike Gallagher
Attorney
Wisconsin Legislative Reference Bureau
(608) 267-7511

From: Rossetto, Matt
Sent: Friday, January 24, 2014 8:28 AM
To: Gallagher, Michael
Cc: Harriman, Amy
Subject: Re: AB 605/SB 457

Hi Mike-

To your first point, the idea behind that provision is simply to clarify, as you said. It is supposed to prevent a potential situation in which there could be a "standing" cooperative agreement between two brokerages. Nothing is meant to change the provision you referenced, we want the prohibition on entering into a listing agreement to remain in place.

This would apply to rentals and leases.

To your third point, the \$500,000 was more of an internal note-- the penalty is to be \$5,000 or 1% of the purchase price (if there is one), whatever is greater. At the point at which the purchase price reaches/exceeds \$500,000, the 1% of the purchase price portion would kick in. This provision is not intended to affect rentals or leases.

Thanks for clarifying. Let me know if you have further questions.

Matt

Sent from my iPhone

On Jan 24, 2014, at 7:58, "Gallagher, Michael" <Michael.Gallagher@legis.wisconsin.gov> wrote:

A few questions before I can get this amendment drafted:

The intent of the amendment is to limit each cooperative agreement to one listing agreement. Note that the bill, on page 3, line 24, prohibits an out-of-state broker, including an out-of-state broker who is subject to a cooperative agreement, from entering into a listing agreement. Does that need to be tweaked, or is the idea that the cooperative agreement relates to a listing agreement of the licensed (i.e., in-state) broker to which the out-of-state broker is not a party? I'm just a little fuzzy on how this is supposed to work.

Next, does a listing agreement cover rental properties and leased properties, or only properties that are for sale? Is the intent to allow cooperative agreements that relate only to properties that are for sale, or is the intent to allow a cooperative agreement to cover other kinds of transactions, such as rented or leased properties?

Finally, in item 3, below, you reference \$500,000. Is that a typo, or is the intent to raise the penalty from \$5,000 to \$500,000, or 1 percent of the purchase price, whichever is greater? Also, the reference to purchase price seems to exclude rental and leased properties. Is that the intent?

Thanks.

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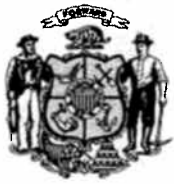
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TO SENATE BILL 457

1/2

1 At the locations indicated, amend the bill as follows:

2 1. Page 3, line 18: delete "all transactions" and substitute "the listing
3 agreement that is".

4 2. Page 3, line 18: after "agreement." insert "Each cooperative agreement may
5 cover only one listing agreement."

6 3. Page 6, line 18: after "\$5,000" insert "or 6 percent of the purchase price or
7 the lease or rental value, as determined by the board, of the property subject to the
8 cooperative agreement, whichever is greater".

9 (END)

total ✓

① ← number

as determined by the board



feel

13

**SENATE AMENDMENT ,
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Insert

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7 the total lease or rental value of the property subject to the cooperative agreement,
8 whichever is greater".

9 (END)

Insert 1-5

2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB 1516/4ins
MPG:jld:rs

91517/3ins

1 INSERT 1-5

2 1. Page 6, line 18: delete "fined not more than \$5,000 for each violation." and
3 substitute "fined, for each violation, not more than the greater of the following:

4 1. ~~\$5,000.~~ Five thousand dollars.

5 2. For a sales transaction, 1 percent of the purchase price of the property subject
6 to the cooperative agreement.

7 3. For a lease or rental transaction, 1 percent of the total lease or rental value
8 of the property subject to the cooperative agreement." ✓

9 END INSERT 1-5