



Ninety-Seventh Legislature - First Session - 2001
Introducer's Statement of Intent
LB 551

Chairperson: Senator David M. Landis
Committee: Banking, Commerce and Insurance
Date of Hearing: January 29, 2001

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 551 is the result of a comprehensive review of the statutes governing real estate licensees. It seeks to clarify the duties and responsibilities of the parties involved in a real estate transaction and place reasonable limitations on the resulting liability of those parties. In summary, the bill would amend statute in the following manner:

- ▶ Add language to specifically state that a licensee has a duty only to his or her own client.
- ▶ Add language to make it clear that a seller's or landlord's agent has no duty to verify the accuracy or completeness of statements made by the client, including the Seller's Property Condition Disclosure Statement, or by "any third party".
- ▶ Add language to make it clear that a buyer's or tenant's agent has no duty to verify the accuracy or completeness of statements by "any third party."
- ▶ Add language specifically stating that the limited role of the agent, with regard to a Seller's Property Condition Disclosure Statement, is to deliver it on or before the effective date of the purchase agreement.
- ▶ Change the list of tasks to be performed by the agent for the customer from "intends to perform" to "may perform."
- ▶ Change list of possible duties and responsibilities of designated broker to a customer from "exceed" to "vary from."
- ▶ Change the liability standard of "knew or should have known" of a misrepresentation to "knew" of a misrepresentation.
- ▶ Strike language that precludes the limitation of liability for a designated broker for a misrepresentation by an affiliated licensee under their supervision.

- ▶ Limit total group transfer fees occurring at one time to \$500 per designated broker.
- ▶ Strike “negligence” from the list of unfair trade practices.
- ▶ Strike unnecessary language relative to distance education hours being based upon equivalent classroom course hours.

Principal Introducer:

_____ **Senator Jon C. Bruning**