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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 466
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 466's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Schmidt and Brennan

Local Impact Statement Procedure Required: No

Terry Steele, Senior Budget Analyst

Highlights

- Requiring real estate brokers to have written agency agreements before providing services to buyers or sellers is unlikely to cause a significant increase in complaints filed with the Division of Real Estate and Professional Licensing.

Detailed Analysis

The bill requires real estate brokers to enter into written representation agreements with their clients and details certain terms that written agreements must contain. In particular, the bill requires these written agreements to include a statement that the broker is appointed as an agent of the client, whether the agency relationship is exclusive or nonexclusive, and the terms by which the broker is compensated. Up until now, these agreements were optional. Making these agreements mandatory is unlikely to increase significantly the number of complaints filed with the Enforcement Section of the Division of Real Estate and Professional Licensing in the Department of Commerce. The bill's impact on courts, which would handle civil litigation related to real estate contract disputes, is unclear. But in all likelihood, it would reduce the volume of such cases that might arise.