



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1173

PRINTER'S NO. 1782

PRIME SPONSOR: Stefano

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	\$0	\$0

SUMMARY:

Senate Bill 1173 amends the act of February 19, 1980 (P.L. 15, No. 9), known as the Real Estate Licensing and Registration Act, to require individuals conducting wholesale real estate transactions to be licensed real estate salespeople or brokers.

ANALYSIS:

This bill adds a paragraph to the definition of “broker” under Section 201 that clarifies that a broker can be any person who, whether for the person or for another, engages or attempts to engage in a wholesale transaction. It updates the definition of “salesperson” with similar language and adds a definition of “residential property” and “wholesale transaction.”

Under Section 304, this bill adds a section regarding the right to cancel sales agreements or sales contracts for wholesale transactions. A consumer who is party to a wholesale transaction shall have a non-waivable right to cancel a sales agreement containing required disclosures through the 30th day after an agreement was executed, or until conveyance, whichever occurs first. A sales agreement for a wholesale transaction that does not contain required disclosures may be canceled at any time prior to conveyance.

Cancellation notice is to be given via certified return receipt mail or any other form of delivery provided that the consumer obtains a receipt. Within ten business days after the receipt of a notice of cancellation, all payments made by the consumer shall be refunded to the consumer with an acknowledgement that the sales agreement or sales contract is void to be sent by the broker or salesperson to the consumer. Any consumer who exercises the right of cancellation shall not be liable for any damages as a result of that cancellation.

Finally, the bill outlines that information regarding this procedure be included in a sales agreement or sales contract for a wholesale transaction.

This legislation would take effect in 180 days.

FISCAL IMPACT:

This bill would have no impact on Commonwealth funds.

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House Appropriations Committee (D)

DATE: July 1, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.