

APA-1

TRANSMITTAL SHEET FOR NOTICE
OF INTENDED ACTION

Control: 790

Department or Agency: Alabama Real Estate Commission

Rule No.: 790-X-1-.05

Rule Title: Out-Of-State Co-Brokerage Agreement

Intended Action Amend

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved? No

To what degree?: N/A

Is the increase in cost more harmful to the public than the harm that might result from the absence of the proposed rule? NA

Are all facets of the rule-making process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

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Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer

Vaughn T Poe
Vaughn T Poe

Date

Thursday, September 12, 2024

REC'D & FILED
SEP 12, 2024
LEGISLATIVE SVC AGENCY

ALABAMA REAL ESTATE COMMISSION

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Real Estate Commission

RULE NO. & TITLE: 790-X-1-.05 Out-Of-State Co-Brokerage Agreement

INTENDED ACTION: Amend

SUBSTANCE OF PROPOSED ACTION:

The amendment clarifies that qualifying brokers, as opposed to associate brokers, are the persons who should be entering out-of-state co-brokerage agreements.

TIME, PLACE AND MANNER OF PRESENTING VIEWS:

Comments can be presented at the public hearing scheduled at 9:00 a.m. on October 24, during the regularly scheduled Commission Meeting to be held at the The Research and Innovation Center, 540 Devall Drive, Auburn, Alabama 36849. Additionally, written comments may be addressed to Vaughn T. Poe, Executive Director, Alabama Real Estate Commission, 1201 Carmichael Way, Montgomery, Alabama 36106. Written comments must be received in the Commission office no later than 4:30 p.m. on November 4, 2024.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Monday, November 4, 2024

CONTACT PERSON AT AGENCY:

Zack Burr, Alabama Real Estate
Commission, 1201 Carmichael Way,
Montgomery, Alabama 36106
(334) 242-5544

Vaughn T Poe

Vaughn T Poe

(Signature of officer authorized
to promulgate and adopt
rules or his or her deputy)

790-X-1-.05

Out-Of-State Co-Brokerage Agreement.

(1) ~~An Alabama licensed~~A licensed Alabama qualifying broker may enter into a co-brokerage agreement with a broker of another state, subject to the provisions of ~~Code of Ala. 1975, § 34-27-3.~~ The Alabama qualifying broker shall require a listing or joint listing of the property involved. The written co-brokerage agreements required by Code of Ala. 1975, § 34-27-3, shall specify all material terms of each agreement, including but not limited to its financial terms.

(2) The showing of property located in Alabama and negotiations pertaining thereto shall be supervised by the Alabama qualifying broker. In all advertising of real estate located in Alabama, the name of the Alabama qualifying broker shall appear.

(3) The Alabama qualifying broker shall be liable for all acts of the out-of-state broker, as well as for his own acts, arising from the execution of any co-brokerage agreement.

(4) The Alabama qualifying broker shall determine that the out-of-state broker is licensed as a broker in another state.

(5) All earnest money pertaining to a co-brokerage agreement must be held in escrow by the Alabama qualifying broker unless both the buyer and seller agree in writing to relieve the Alabama qualifying broker of this responsibility.

Author: ~~Ronald Forehand~~Alabama Real Estate Commission

Statutory Authority: Code of Ala. 1975, §§34-27-3, 34-27-8.

History: Filed September 30, 1982. **Amended:** Filed August 15, 1985. **Amended:** Published ; effective .