



North Dakota Association of REALTORS®

To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®

March 6, 2023

Testimony in Support of HB 1188

Chairman Larsen and Members of the Senate Industry and Business Committee, for the record my name is Shane Cullen, and I am a member of the North Dakota Association of REALTORS® and also of their Government Affairs Committee. I am also a REALTOR® practicing real estate in the Fargo-Moorhead market.

The North Dakota Association of REALTORS® membership is made up of more than 2,200 REALTORS® and more than 250 Business Partner members.

I am speaking in support of House Bill 1188, which relates to the prohibition of unfair service agreements. NDAR's Government Affairs Committee and Board of Directors has brought this bill forward to address "40-Year Listing Contracts" (also known as "Spring Listings") in real estate.

"40-Year Listing Contracts" generally consists of an exclusive agreement between a real estate brokerage (needing to be licensed in the state) and a homeowner for exclusive future real estate listing services in exchange for upfront financial compensation, which can range between a few hundred to a few thousand dollars. The duration of the agreement can be up to 40 years for which the homeowner is obligated to use the listing services of that brokerage when they sell the home or to pay an early termination fee. Some issues that appear to occur with these agreements are that homeowners who sign them do not fully realize what they have committed to, or do not realize the agreement places a lien on their property.

We feel as though real property covenants should bind and concern the land, rather than be tied to the individual owner. Our intention with this bill is to prohibit the practice of these unfair service agreements. Prohibition of these agreements will protect consumers and ensure that property rights are not unreasonably restrained.

With this being said, the North Dakota Association of REALTORS® is asking for a do-pass from this committee on House Bill 1188. I would be happy to answer any questions from the Chairman and the Committee.

Shane Cullen

NDAR Government Affairs Committee Member

REALTOR®, PARK CO., REALTORS®

shanecullen@parkcompany.com

1616 Capitol Way | Bismarck, ND 58501
office: 701-355-1010 | **toll free:** 800-279-2361
info@ndrealtors.com | www.ndrealtors.com

