



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

**January 13, 2023**

### Testimony in Support of HB 1188

Chairman Louser and Members of the House Industry, Business and Labor 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 in the Fargo-Moorhead area.

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 (licensed in the state) and a homeowner for 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®**

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