

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1401

Introduced by

Representatives Warrey, Longmuir, Mitskog, Motschenbacher, Schneider, Stemen

Senators Axtman, Davison, Thomas

1 A BILL for an Act to amend and reenact section 40-11-04.2 of the North Dakota Century Code,
2 relating to the transfer of real property by exclusive and nonexclusive listing agreements.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 40-11-04.2 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **40-11-04.2. Transfer of real property by exclusive and nonexclusive listing**
7 **agreements.**

8 1. As an alternative to the procedure established under section 40-11-04.1, the governing
9 body of a city may by resolution ~~describe~~:

10 a. Describe the real property of the city which is to be sold; ~~provide~~

11 b. Provide a maximum rate of fee, compensation, or commission; and ~~provide~~

12 c. Provide that the city reserves the right to reject any and all offers determined to
13 be insufficient.

14 2. After adoption of the resolution, and publication of the resolution on the city website for
15 at least fourteen days, if the city maintains a website, the governing body of a city may
16 engage licensed real estate brokers to attempt to sell the described property by way of
17 nonexclusive listing agreements or by way of an exclusive listing agreement if the real
18 estate broker is selected through a competitive process.

19 3. A proposal from a licensed real estate broker to enter an exclusive listing agreement
20 with the governing body of a city must be based on the:

21 a. Experience of the licensed real estate broker;

22 b. Experience of the licensed real estate broker selling similar property;

- 1 c. Marketing strategy the licensed real estate broker intends to use; and
- 2 d. Rate of fee, compensation, or commission the licensed real estate broker intends
- 3 to accept.
- 4 4. In the negotiation of a purchase agreement with a buyer represented by a real estate
- 5 broker, the governing body of a city may agree to pay compensation to the buyer's real
- 6 estate broker. In the negotiation of a listing agreement, the governing body of a city
- 7 shall consider the financial impact of paying compensation to the buyer's real estate
- 8 broker on the total fees, compensation, or commission that may become payable by
- 9 the city.