

SENATE FLOOR VERSION

February 27, 2025

SENATE BILL NO. 1075

By: Rosino of the Senate

and

Moore of the House

An Act relating to The Oklahoma Real Estate License Code; amending 59 O.S. 2021, Section 858-102, as amended by Section 1, Chapter 159, O.S.L. 2024 (59 O.S. Supp. 2024, Section 858-102), which relates to definitions; defining terms; requiring wholesalers to provide certain disclosures; prohibiting wholesalers from certain practices; proscribing certain requirements for notice for the contract or agreement; allowing for contracts to be invalid without proper disclosure; requiring the Oklahoma Real Estate Commission to provide certain form; providing for promulgation of rules; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 59 O.S. 2021, Section 858-102, as

amended by Section 1, Chapter 159, O.S.L. 2024 (59 O.S. Supp. 2024, Section 858-102), is amended to read as follows:

Section 858-102. When used in this Code, unless the context clearly indicates otherwise, the following words and terms shall be construed as having the meanings ascribed to them in this section:

1 1. The term "real estate" shall include any interest or estate
2 in real property, within or without the State of Oklahoma, whether
3 vested, contingent or future, corporeal or incorporeal, freehold or
4 nonfreehold, and including leaseholds, options and unit ownership
5 estates to include condominiums, time-shared ownerships and
6 cooperatives; provided, however, that the term real estate shall not
7 include oil, gas or other mineral interests, or oil, gas or other
8 mineral leases; and provided further, that the provisions of this
9 Code shall not apply to any oil, gas, or mineral interest or lease
10 or the sale, purchase or exchange thereof;

11 2. The term "broker" shall include any person, partnership,
12 limited liability company, association, corporation, or business
13 entity, foreign or domestic, who for a fee, commission, or other
14 valuable consideration, or who with the intention or expectation of
15 receiving or collecting a fee, commission, or other valuable
16 consideration, performs any of the following acts:

- a. sells, exchanges, purchases, rents, or leases real estate,
 - b. offers to sell, exchange, purchase, rent, or lease real estate,
 - c. negotiates or attempts to negotiate the listing, sale, exchange, purchase, rent, or lease of real estate,
 - d. lists or offers, attempts, or agrees to list real estate for sale, exchange, rent or lease,

- 1 e. auctions or offers, attempts, or agrees to auction
2 real estate,
3 f. controls the acceptance or deposit of rent from a
4 resident of a single-family residential real property
5 unit,
6 g. solicits listings of places for rent or lease,
7 h. solicits for prospective tenants, purchasers, or
8 sellers, or
9 i. advertises or holds himself or herself out as engaged
10 in such activities;

11 3. The term "broker associate" shall include any person who has
12 qualified for a license as a broker associate, and who is employed
13 or engaged by, associated as an independent contractor with, or on
14 behalf of and with the permission of a broker to perform any act set
15 out in the definition of a broker;

16 4. The term "business day" means any calendar day except for
17 Saturday, Sunday, or any public holiday recognized by state or
18 federal law;

19 5. The term "contract" means any agreement or arrangement,
20 including power of attorney, for the purchase, sale, or assignment
21 of real estate;

22 6. The term "homeowner" means any individual, entity, trust, or
23 partnership holding title to residential property;

1 7. The term "real estate sales associate" shall include any
2 person having a renewable license and employed or engaged by, or
3 associated as an independent contractor with, or on behalf of, a
4 broker to do or deal in any act, acts or transactions set out in the
5 definition of a broker;

6 5. 8. "Provisional sales associate" shall include any person
7 who has been licensed after June 30, 1993, employed or engaged by,
8 or associated as an independent contractor with, or on behalf of, a
9 broker to do or deal in any act, acts or transactions set out in the
10 definition of a broker and subject to an additional forty-five-
11 clock-hour postlicensing educational requirement to be completed
12 within the first twelve-month license term. However, the Oklahoma
13 Real Estate Commission shall promulgate rules for those persons
14 called into active military service for purposes of satisfying the
15 postlicensing educational requirement. The license of a provisional
16 sales associate shall be nonrenewable unless the postlicensing
17 requirement is satisfied prior to the expiration date of the
18 license. Further, the terms sales associate and provisional sales
19 associate shall be synonymous in meaning except where specific
20 exceptions are addressed in the Oklahoma Real Estate License Code;

21 6. 9. The term "successful completion" shall include
22 prelicense, postlicense, and distance education courses in which an
23 approved public or private school entity has examined the
24 individual, to the satisfaction of the entity and standards as

1 established by the Commission, in relation to the course material
2 presented during the offering;

3 7. 10. The term "renewable license" shall refer to a broker,
4 broker associate or sales associate who is a holder of such license
5 or to a provisional sales associate who has completed the
6 educational requirements within the required time period as stated
7 in the Code;

8 8. 11. The term "nonrenewable license" shall refer to a
9 provisional sales associate who is the holder of such license and
10 who has not completed the postlicense educational requirement within
11 the required time period as stated in the Code;

12 9. 12. The term "surrendered license" shall refer to a real
13 estate license which is surrendered, upon the request of the
14 licensee, due to a pending investigation or disciplinary
15 proceedings;

16 10. 13. The term "canceled license" shall refer to a real
17 estate license which is canceled, upon the request of the licensee
18 and approval of the Commission, due to a personal reason or
19 conflict;

20 11. 14. The term "publicly market" shall include all
21 advertisements and marketing conducted in a public or open manner or
22 place;

1 12. 15. "Licensee" shall include any person who performs any
2 act, acts or transactions set out in the definition of a broker and
3 licensed under the Oklahoma Real Estate License Code;

4 13. 16. The word "Commission" shall mean the Oklahoma Real
5 Estate Commission;

6 14. 17. The word "person" shall include and mean every
7 individual, partnership, association or corporation, foreign or
8 domestic;

9 15. 18. Masculine words shall include the feminine and neuter,
10 and the singular includes the plural; and

11 16. 19. The word "associate" shall mean a broker associate,
12 sales associate or provisional sales associate; and

13 20. The term "wholesaler" means any individual or entity
14 engaging in the business of securing, negotiating, or facilitating
15 the sale of residential real estate for the primary purpose of
16 transferring, assigning, or selling their equitable interest in the
17 property, directly or indirectly, for financial profit. This
18 includes any person or entity that:

19 a. enters into a contract to purchase residential real
20 estate with the intent of assigning or selling the
21 contractual rights to another party before taking
22 possession or legal ownership of such residential real
23 estate, and

1 b. engages in double closing. As used in this paragraph,
2 "double closing" means the wholesaler simultaneously
3 closes two separate transactions on the same property,
4 one with the original seller and one with the end
5 buyer, without the intent to reside in or otherwise
6 materially improve such residential real estate.

7 SECTION 2. NEW LAW A new section of law to be codified

8 in the Oklahoma Statutes as Section 858.314 of Title 59, unless
9 there is created a duplication in numbering, reads as follows:

10 A. A wholesaler shall:

11 1. Disclose in writing to the homeowner, before the execution
12 of any contract or written agreement, his or her intent to assign or
13 sell his or her equitable interest in the residential real estate
14 for a higher price than what is offered to the homeowner;

15 2. Provide a prominent written disclosure to the homeowner in
16 all written contracts between the parties stating that the homeowner
17 should seek legal advice before signing any contract concerning his
18 or her home; and

19 3. Disclose in writing to the homeowner that the homeowner has
20 the right to cancel the contract without penalty within seven (7)
21 business days after the execution of the contract.

22 B. A wholesaler shall not, directly or indirectly:

1 1. Act as an advisor or consultant, or in any other manner
2 representing that the wholesaler is acting on behalf of the
3 homeowner; or

4 2. Represent himself or herself as holding a certification or
5 license, or being a member of a licensed profession, without
6 possession of the certification or license.

7 C. The homeowner shall have the right to cancel the contract
8 without penalty within seven (7) business days from the date of
9 execution of the contract.

10 D. The wholesaler shall be prohibited from placing any lien or
11 encumbrance on or otherwise clouding title of the property.

12 E. Any contract or agreement used by a wholesaler shall contain
13 the following:

14 1. The name, address, and telephone number of the wholesaler;
15 2. The address of the residence involved in the transaction;
16 3. The total consideration to be given by the wholesaler to the
17 homeowner;

18 4. A complete description of the terms of payment or other
19 consideration including, but not limited to, any services of any
20 nature which the wholesaler represents he or she will perform for
21 the seller before or after the sale; and

22 5. The following notice shall appear on the contract in
23 immediate proximity to the space reserved for the seller's signature
24 and shall be in at least twelve-point bold type if the contract is

1 | typed or in capital letters if the contract is printed. The notice
2 | shall contain the name of the wholesaler, the date and time by which
3 | the contract shall be canceled, and the following language:

4 | "NOTICE REQUIRED BY OKLAHOMA LAW: You may cancel this contract
5 | at any time before midnight of _____ (Date).

6 | _____ (Name of Wholesaler) or anyone working for

7 | _____ (Name of Wholesaler) CANNOT ask you to sign or have
8 | you sign any deed or any other document until your right to cancel
9 | this contract has ended. See the attached notice of cancellation
10 | form for an explanation of this right. You should always consult an
11 | attorney or community organization before signing any legal
12 | documents concerning your home. It is advisable that you find your
13 | own attorney. The law requires this contract to contain the entire
14 | agreement. You should not rely upon any other written or oral
15 | agreement or promise."

16 | F. Failure to include any of the required disclosures under
17 | this section shall render the contract invalid and unenforceable by
18 | the wholesaler and shall entitle the homeowner to any earnest money
19 | deposit involved in the transaction. Any earnest money deposit or
20 | security deposit by a wholesaler shall be kept in an escrow account
21 | maintained in this state with a federally insured financial
22 | institution. The homeowner may terminate the contract at any time
23 | if the wholesaler fails to comply with the provisions of this
24 | section.

1 G. The Oklahoma Real Estate Commission shall create, publish,
2 and provide on its website a notice of cancellation form, which
3 shall be included by the wholesaler with any contract. This form
4 shall be provided to the homeowner at no cost.

5 H. The Commission shall promulgate any rules necessary to
6 implement the provisions of this section.

7 SECTION 3. This act shall become effective November 1, 2025.

8 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND INSURANCE
February 27, 2025 - DO PASS