Professional Licensing Agency 402 West Washington Street Room W072 Indianapolis, IN 46204



Eric J. Holcomb
Governor of Indiana
Lindsay M. Hyer
PLA Executive Director

FOR IMMEDIATE RELEASE

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Media Contact:

Doug Boyle, Director of Legislative Affairs and Communications Emily Cox, Assistant Director of Communications Indiana Professional Licensing Agency communications@pla.in.gov

Indiana State Law Requires Written Listing and Buyer Agency Agreements between Real Estate Brokers and their Clients, Effective July 1, 2024

STATEWIDE – The Indiana Real Estate Commission (the Commission) and the Indiana Professional Licensing Agency (IPLA) wish to inform all Indiana-licensed real estate brokers, as well as industry stakeholders and partners, of certain regulatory requirements recently enacted by the Indiana General Assembly under House Enrolled Act 1068-2024 adds Indiana Code § 25-34.1-12 to state statute, which requires all Indiana real estate licensees to secure written representation agreements to formalize their agency relationships with their listing (owner/seller) clients and buyer clients. House Enrolled Act 1068-2024 was signed into law by Governor Holcomb on March 11, 2024, and will become effective law in the state of Indiana on July 1, 2024.

House Enrolled Act 1068-2024 creates consistent, minimum requirements for the listing agreements and buyer agreements. For real estate brokers to lawfully represent owner/seller clients and buyer clients effective July 1, 2024, the authority executed between the real estate broker and the owner/seller client, or the buyer client, must be in writing, either on paper or in electronic format, and must provide (show) a definitive date of expiration. The real estate broker shall provide one (1) copy of the agreement to the owner/seller client or the buyer client within three (3) business days of the time of signing, and the original agreement and all electronic files shall be retained by the real estate broker (in the broker's office). House Enrolled Act 1068-2024 does not explicitly require real estate brokers to supply/submit their written agreements to the Commission and the IPLA. Also, House Enrolled Act 1068-2024 does not include a specific standard for when the agreement should be executed. It is reflective of existing state law under Indiana Code § 25-34.1-10-9.5, which defines the "agency relationship" between a licensee and an owner/seller or a buyer, establishing authority to represent an owner/seller or a buyer.

Any technical or administrative questions about <u>House Enrolled Act 1068-2024</u>'s regulatory requirements may be directed to the Commission's IPLA staff at

<u>pla5@pla.in.gov</u>. Any licensees who need legal guidance or assistance in interpreting these new regulatory requirements should consult their firm's/company's legal team or a personal attorney.

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About the Indiana Professional Licensing Agency (IPLA):

The Indiana Professional Licensing Agency (IPLA) was established by the Indiana General Assembly in 2005, consolidating the Indiana Health Professions Bureau and the former Indiana Professional Licensing Agency into one centralized umbrella agency. The IPLA now issues licenses for forty (40) different professions and over two hundred (200) unique license types. 1 in 6 working Hoosiers are currently licensed by the IPLA. The IPLA supports approximately forty (40) of the State of Indiana's occupational licensing boards, commissions, and committees in administering their duties and business, and also provides inspection services for certain professions and businesses across the state of Indiana. The IPLA partners with several other Indiana state agencies in providing professional licensing services, by managing the State of Indiana's online professional licensing system – the Indiana Licensing Enterprise. The goal of the IPLA is to ensure Hoosiers have access to robust, safe, and reliable professional services by providing licensure to professionals in a fair and efficient manner.