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State of Minnesota  
**HOUSE OF REPRESENTATIVES**  
NINETIETH SESSION

**H. F. No. 4098**

03/21/2018 Authored by Loonan  
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act  
1.2 relating to commerce; regulating real estate brokers; modifying a definition;  
1.3 amending Minnesota Statutes 2016, section 82.55, subdivision 19.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2016, section 82.55, subdivision 19, is amended to read:

1.6 Subd. 19. **Real estate broker; broker.** "Real estate broker" or "broker" means any  
1.7 person who:

1.8 (a) for another and for commission, fee, or other valuable consideration or with the  
1.9 intention or expectation of receiving the same directly or indirectly lists, sells, exchanges,  
1.10 buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase  
1.11 or rental of an interest or estate in real estate, or advertises or holds out as engaged in these  
1.12 activities;

1.13 (b) for another and for commission, fee, or other valuable consideration or with the  
1.14 intention or expectation of receiving the same directly or indirectly negotiates or offers or  
1.15 attempts to negotiate a loan, secured or to be secured by a mortgage or other encumbrance  
1.16 on real estate, which is not a residential mortgage loan as defined by section 58.02,  
1.17 subdivision 18;

1.18 (c) "real estate broker" or "broker" as set forth in clause (b) shall not apply to the  
1.19 originating, making, processing, selling, or servicing of a loan in connection with the ordinary  
1.20 business activities of a mortgagee, lender, or servicer approved or certified by the secretary  
1.21 of Housing and Urban Development, or approved or certified by the administrator of Veterans  
1.22 Affairs, or approved or certified by the administrator of the Farmers Home Administration,

2.1 or approved as a multifamily seller/servicer by the Federal Home Loan Mortgage  
2.2 Corporation, or as a multifamily partner approved by the Federal National Mortgage  
2.3 Association;

2.4 (d) for another and for commission, fee, or other valuable consideration or with the  
2.5 intention or expectation of receiving the same directly or indirectly lists, sells, exchanges,  
2.6 buys, rents, manages, offers or attempts to negotiate a sale, option, exchange, purchase or  
2.7 rental of any business opportunity or business, or its good will, inventory, or fixtures, or  
2.8 any interest therein;

2.9 (e) for another and for commission, fee, or other valuable consideration or with the  
2.10 intention or expectation of receiving the same directly or indirectly offers, sells or attempts  
2.11 to negotiate the sale of property that is subject to the registration requirements of chapter  
2.12 83, concerning subdivided land;

2.13 (f) for another and for commission, fee, or other valuable consideration or with the  
2.14 intention or expectation of receiving the same, promotes the sale of real estate by advertising  
2.15 it in a publication issued primarily for this purpose, if the person:

2.16 (1) negotiates on behalf of any party to a transaction;

2.17 (2) disseminates any information regarding the property to any party or potential party  
2.18 to a transaction subsequent to the publication of the advertisement, except that in response  
2.19 to an initial inquiry from a potential purchaser, the person may forward additional written  
2.20 information regarding the property which has been prepared prior to the publication by the  
2.21 seller or broker or a representative of either;

2.22 (3) counsels, advises, or offers suggestions to the seller or a representative of the seller  
2.23 with regard to the marketing, offer, sale, or lease of the real estate, whether prior to or  
2.24 subsequent to the publication of the advertisement;

2.25 (4) counsels, advises, or offers suggestions to a potential buyer or a representative of  
2.26 the seller with regard to the purchase or rental of any advertised real estate; or

2.27 (5) engages in any other activity otherwise subject to licensure under this chapter;

2.28 (g) engages wholly or in part in the business of selling real estate to the extent that a  
2.29 pattern of real estate sales is established, whether or not the real estate is owned by the  
2.30 person. A person shall be presumed to be engaged in the business of selling real estate if  
2.31 the person engages as principal in five or more transactions during any 12-month period,  
2.32 unless the person is represented by a licensed real estate broker or salesperson; or

3.1 (h) for another and for commission, fee, or other valuable consideration or with the  
3.2 intention or expectation of receiving the same directly or indirectly offers or attempts to  
3.3 offer to manage the finances, maintenance, repair, or contract negotiations on behalf of a  
3.4 common interest community association, as defined in chapter 515B, with a budget of  
3.5 \$50,000 or greater.