S T A T E O F N E W Y O R K

2287

2011-2012 Regular Sessions

I N S E N A T E

January 18, 2011

Introduced by Sen. KRUGER -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the general obligations law, in relation to rendering unenforceable exclusive brokerage agreements for certain residential sales of non-multiple dwellings in cities of one million or more population

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The general obligations law is amended by adding a new section 5-329 to read as follows:

S 5-329. EXCLUSIVE BROKERAGE AGREEMENTS FOR RESIDENTIAL SALES OF NON-MULTIPLE DWELLINGS IN ANY CITY OF ONE MILLION OR MORE PERSONS VOID AS AGAINST PUBLIC POLICY. EVERY COVENANT, PROMISE, AGREEMENT OR UNDERSTANDING IN OR IN CONNECTION WITH, OR COLLATERAL TO, ANY CONTRACT ENTERED INTO BETWEEN A REAL ESTATE BROKER, SALESMAN OR AGENT, AND A SELLER OF REAL PROPERTY NOT UTILIZED FOR COMMERCIAL PURPOSES ON WHICH A RESIDENTIAL DWELLING OTHER THAN A MULTIPLE DWELLING IS LOCATED, ANY PORTION OF WHICH PROPERTY IS SITUATE WITHIN A CITY OF ONE MILLION OR MORE PERSONS, WHERE THE ASKING PRICE FOR THE SALE OF THE PROPERTY IS LESS THAN ONE MILLION DOLLARS PURSUANT TO WHICH, IN SUBSTANCE, THE BROKER, SALESMAN OR AGENT, OR THE FIRM WITH WHICH HE OR SHE IS ASSOCIATED, IS DESIGNATED AS THE EXCLUSIVE BROKER, SALESMAN, AGENT OR FIRM FOR THE SALE OF SUCH PROPERTY OR TO ARRANGE SUCH SALE OR TO FIND A READY, WILLING AND ABLE BUYER OF THE PROPERTY OR FOR THE PURPOSE OF NOTICING OR ADVERTISING THE AVAILABILITY OF THE PROPERTY OR FOR THE PURPOSE OF RENDERING ANY SERVICES TO, FOR OR ON BEHALF OF THE SELLER OR A POTENTIAL BUYER OR BOTH, AND WHETHER OR NOT THE EXCLUSIVITY IS RESTRICTED TO ONE OR MORE ADVERTISING MEDIA OR TO ONE OR MORE AREAS OR NEIGHBORHOODS WITHIN SUCH CITY, SHALL BE DEEMED TO BE VOID AS AGAINST PUBLIC POLICY AND WHOLLY UNENFORCEABLE. NO REAL ESTATE BROKER, SALESMAN OR AGENT SHALL BE ENTITLED TO EARN OR COLLECT

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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ANY COMMISSION FOR SERVICES RENDERED PURSUANT TO SUCH VOID AND UNENFORCEABLE COVENANT, PROMISE, AGREEMENT OR UNDERSTANDING.

S 2. This act shall take effect on the thirtieth day after it shall have become a law, provided, however, that it shall apply only to covenants, promises, agreements and understandings entered into on or after such effective date.