

New Commercial OSL Cooperation Option

Background

CARW members cited that the current out-of-state (OSL) law created a situation where a Wisconsin firm (ISL) could be argued as practicing outside of the permitted Wisconsin laws because the law only allows cooperation when the ISL has the property listed. CARW members pointed out that it is common to have OSLs reach out to ISLs who do not have a property listed because the OSLs wish to cooperate with someone other than the listing firm to ensure the OSL's buyer/tenant clients have assistance of an expert in that specific market area.

Therefore, WRA and CARW collaborated to create a new voluntary commercial option for ISLs who do not have a property listed but wish to cooperate with OSLs working with commercial buyers and tenants. This new option was approved in May by the WRA's public policy committee approved the WRA to pursue legislation to address this concern.

Proposal

While all of the current OSL cooperation laws will continue to apply, the following provides the guidelines for this new voluntary opportunity:

- Be limited to Wisconsin commercial transactions. Commercial transactions are defined as any property other than any of the following:
 1. Real property containing 8 or fewer dwelling units.
 2. Real property that is zoned for residential purposes and that does not contain any buildings or structures.
 3. Real property that is zoned for agricultural purposes, unless the property is being purchased for a commercial purpose and the property is to be rezoned.
- Create a separate WB-commercial cooperative form
- Require each WB- commercial cooperative agreement to specify the property type, function, general geographic location, approximate size and functional limitations or geographic limitations on location of the buyer or tenant's transaction project search.
- Require a separate WB-commercial cooperative to be entered into for each type of property, function, general geographic location, size, etc. of the buyer or tenant's project search.
- Require either the OSL or ISL to engage the purchaser or tenant in a client relationship.
 - The WB-commercial cooperative agreement must acknowledge if the OSL or ISL has the client relationship.
 - If the OSL solely has the client relationship, the law acknowledges the ISL is a subagent of the OSL and the ISL must provide the OSL a Disclosure to Clients form to be given to the OSL's client. The OSL is not required to request the client to sign the Disclosure to Clients form.
- The OSL shall not negotiate with the seller or landlord unless authorized under the WB-commercial cooperative agreement. If a property is not listed with an ISL listing firm, the ISL must conduct all negotiations with the seller or landlord.
- The OSL shall not view or show commercial property for sale or lease without the ISL unless authorized under a WB-commercial cooperative agreement. If the property is not listed with an ISL listing firm, the ISL must view the property with the OSL.
- The OSL shall not have contact with another ISL, another ISL's seller or landlord unless otherwise agreed to in the WB-commercial cooperative agreement.