

**2026 -- S 3136 SUBSTITUTE A**

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LC006171/SUB A/2  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2026**

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A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- REAL ESTATE BROKERS AND  
SALESPERSONS

Introduced By: Senators Britto, Burke, and Murray

Date Introduced: March 20, 2026

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 5-20.5-1 and 5-20.5-2 of the General Laws in Chapter 5-20.5 entitled  
2 "Real Estate Brokers and Salespersons" are hereby amended to read as follows:

3           **5-20.5-1. Definitions.**

4           When used in this chapter, unless the context indicates otherwise:

5           (1) "Associate broker" means any licensed real estate broker employed or engaged as an  
6 independent contractor by or on behalf of a licensed real estate broker to do or deal in any activity  
7 as included or comprehended by the definitions of a real estate broker in subsection (5) of this  
8 section, for compensation or otherwise.

9           (2) "Director" means the director of business regulation for the state.

10          (3) "Opinion of value" means an analysis, opinion, or conclusion prepared by a person  
11 licensed under this chapter, in the ordinary course of his or her business relating to the price of  
12 specified interests in or aspects of identified real estate or identified real property or by comparison  
13 to other real property currently or recently sold in the marketplace for the purpose of listing,  
14 purchase, or sale, excluding an appraisal prepared by a person licensed under the provisions of  
15 chapter 20.7 of this title, that conforms to the standards adopted by the uniform standards of  
16 professional appraisal practice ("USPAP").

17          (4) "Real estate," as used in this chapter, includes leaseholds as well as any and every  
18 interest or estate in land, whether corporeal or incorporeal, freehold or non-freehold, and whether

1 the property is situated in this state or elsewhere.

2 (5) “Real estate broker”:

3 (i) Within the meaning of this chapter, includes all persons, partnerships, associations, and  
4 corporations, foreign and domestic, who or that:

5 (A) For a fee, commission, or other valuable consideration, or with the intention or  
6 expectation of receiving or collecting a fee, commission, or other valuable consideration, lists, sells,  
7 purchases, exchanges, rents, leases, prepares an opinion of value, or auctions any real estate, or the  
8 improvements on real estate including options or who negotiates or attempts to negotiate any such  
9 activity;

10 (B) Advertises or holds himself or herself, itself, or themselves out as engaged in those  
11 activities;

12 (C) Directs or assists in the procuring of a purchaser or prospect calculated or intended to  
13 result in a real estate transaction;

14 (D) Engages or assists individuals or entities in engaging in securing, negotiating, or  
15 facilitating the sale of real estate for the primary purpose of transferring, assigning or selling their  
16 equitable interest in the real estate, directly or indirectly, for financial gain prior to taking  
17 possession or legal ownership of such real estate more than once in any period of twelve (12)  
18 months.

19 (ii) Also includes any person, partnership, association, or corporation employed by or on  
20 behalf of the owner or owners of lots, or other parcels of real estate, at a stated salary, or upon a  
21 fee, commission or otherwise, to sell that real estate, or any parts, in lots or other parcels, and who  
22 or that sells, exchanges or leases, or offers or attempts or agrees to negotiate the sale, exchange, or  
23 lease of any such lot or parcel of real estate.

24 (6) “Real estate salesperson” means and includes any person employed or engaged as an  
25 independent contractor by or on behalf of a licensed real estate broker to do or deal in any activity  
26 as included or comprehended by the definitions of a real estate broker in subsection (5) of this  
27 section, for compensation or otherwise.

28 **5-20.5-2. Persons exempt.**

29 (a) Neither the term “real estate broker” nor “real estate salesperson” is held to include:

30 (1) Any person, partnership, association, or corporation, who or that, as a bona fide owner,  
31 lessee, or lessor, performs any of the previously stated acts as to property owned, or leased by them,  
32 or to their regular employees, where those acts are performed in the regular course of, or as an  
33 incident to the management of the property and the investment in the property; provided, however,  
34 that such exemption shall not apply to the sale of an equitable interest in real estate;

1 (2) A builder, developer, or contractor licensed or registered with the department of  
2 business regulation when assigning or transferring an equitable interest in vacant land or property  
3 intended for new construction in connection with bona fide development, financing, construction,  
4 or subdivision activity; or

5 ~~(2)~~(3) Any person, partnership, association, or corporation, or any of their employees, who  
6 or that seeks to acquire, lease, rent, sell, or deal in real estate that has been or will be used or held  
7 for investment by that person, partnership, association, or corporation.

8 (b) This chapter is also not to be construed to include:

9 (1) Any attorney at law licensed by the supreme court of the state nor any person holding  
10 in good faith an executed power of attorney from the owner, authorizing the final consummation  
11 and execution for the sale, purchase, leasing, or exchange of real estate;

12 (2) The acts of any person while acting as a receiver, trustee, administrator, executor,  
13 guardian, or under court order, or while acting under authority of a deed of trust or will;

14 (3) The acts of any person, partnership, association, or corporation who or that appraises  
15 real or personal property for the purpose of conducting a mass appraisal, municipal revaluation for  
16 tax purposes, or other forms of ad valorem appraisal; or

17 (4) Public officers while performing their duties as public officers.

18 SECTION 2. Title 34 of the General Laws entitled "PROPERTY" is hereby amended by  
19 adding thereto the following chapter:

20 CHAPTER 51

21 WHOLESALE OF REAL PROPERTY

22 **34-51-1. Definitions.**

23 For purposes of this chapter:

24 (1) "Assignment contract" means an agreement between a wholesaler and a buyer in which  
25 a wholesaler agrees to sell the wholesaler's equitable interest in real estate to the buyer for  
26 compensation and without assuming title to such property.

27 (2) "Person" means a natural person, corporation, government, governmental subdivision  
28 or agency, business trust, estate, trust, partnership, association, joint venture, or other legal or  
29 commercial entity.

30 (3) "Real estate" means leaseholds as well as any and every interest or estate in land,  
31 whether corporeal or incorporeal, freehold or non-freehold, and whether the property is situated in  
32 this state or elsewhere.

33 (4) "Wholesaler" means a person who engages or assists individuals or entities in engaging  
34 in the securing, negotiating, or facilitating the sale of real estate for the primary purpose of

1 transferring, assigning or selling their equitable interest in the property, directly or indirectly, for  
2 financial gain prior to taking possession of legal ownership of such real estate more than once in  
3 any period of twelve (12) months. “Wholesaler” shall not include a builder, developer, or contractor  
4 licensed or registered with the department of business regulation when assigning or transferring an  
5 equitable interest in vacant land or property intended for new construction in connection with bona  
6 fide development, financing, construction, or subdivision activity.

7 (5) “Wholesale contract” means an agreement between a wholesaler and the seller of real  
8 property in which the real estate wholesaler agrees, or reasonably expects or intends to, for  
9 compensation and without assuming title to such property, facilitate or orchestrate the sale of such  
10 property to a third party.

11 **34-51-2. Licensing Requirements.**

12 No person shall enter into a wholesale contract or assignment contract of real estate unless  
13 such person:

14 (1) Possesses a valid, active real estate license issued by the department of business  
15 regulation in accordance with § 5-20.5-6; or

16 (2) Qualifies for an exemption from licensing in accordance with § 5-20.5-2.

17 **34-51-3. Wholesale contract requirements.**

18 (a) Before entering into a contract to purchase real estate, a wholesaler shall disclose, in  
19 writing, to the owner of the property that the wholesaler may assign the contract of sale to another  
20 person for a fee, compensation or other valuable consideration.

21 (b) Each wholesale contract shall include language providing notice that:

22 (1) The seller retains a period of three (3) days, excluding weekends and federal and/or  
23 state holidays, within which the seller may, in the seller's discretion and at the seller's expense,  
24 review the terms of the contract with an attorney or other advisor; and

25 (2) The seller may cancel such contract during the three (3) business day period without  
26 providing any reason for such cancellation or incurring any penalty or obligation, except for the  
27 return of any deposit, if any, that the wholesaler paid or provided to the seller or the seller's agent.

28 **34-51-4. Assignment contract requirements.**

29 (a) Before entering into an assignment of contract to purchase real estate, a wholesaler shall  
30 disclose in writing to any prospective buyer that the wholesaler holds an equitable interest in the  
31 property but does not hold legal title to the property.

32 (b) Each contract of assignment shall include language providing notice that:

33 (1) The buyer retains a period of three (3) days, excluding weekends and federal and/or  
34 state holidays, within which the buyer may, at its discretion and at its expense, review the terms of

1 the contract with an attorney or other advisor; and

2 (2) The buyer may cancel such contract during the three (3) business day period without  
3 providing any reason for such cancellation or incurring any penalty or obligation.

4 (c) No assignment contract shall contain language that prohibits the assignee from using  
5 their own closing attorney, settlement agent, or provider of an owner's title policy.

6 **34-51-5. Right of cancellation.**

7 (a) The transfer of real estate that is subject to a wholesale contract shall not occur until the  
8 cancellation period of the wholesale contract has expired.

9 (b) The assignment of real estate shall not occur until the cancellation period of the  
10 assignment contract has expired.

11 (c) The right to cancel a wholesale contract or assignment contract shall not be waived by  
12 any party to a wholesale contract.

13 (d) If the wholesaler fails to include the disclosures required in § 34-51-3 in the wholesale  
14 contract, the seller or buyer may cancel a wholesale contract or assignment of contract without  
15 penalty at any time before the consummation of the contract. A buyer who rescinds a contract under  
16 § 34-51-4 shall be entitled to the refund of any deposit paid in connection with the assignment of  
17 the contract of sale of real estate.

18 **34-51-6. Penalties for violations.**

19 (a) Any person who violates the provisions of §§ 34-51-3, 31-51-4 or 34-51-5 shall be  
20 punished by a fine of five hundred dollars (\$500) for a first offense and by a fine of one thousand  
21 dollars (\$1,000) for each subsequent offense.

22 (b) If any person has received any money, or the equivalent, as a fee, compensation, or  
23 profit by or in consequence of a violation of any provision of this chapter, they shall, in addition to  
24 any fines imposed in subsection (a) of this section, be civilly liable in an amount of money no less  
25 than equal to the sum received in fee, compensation or profit, but not more than three (3) times the  
26 fee, compensation or profit received, as may be determined by the court.

27 SECTION 3. This act shall take effect on January 1, 2027.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T  
RELATING TO BUSINESSES AND PROFESSIONS -- REAL ESTATE BROKERS AND  
SALESPERSONS

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1           This act would require any person, as defined, who is in the business of selling, assigning  
2 or buying an equitable interest in real estate without taking legal title to such property, to be licensed  
3 as a real estate broker or salesperson and to comply with the disclosure requirements and  
4 cancellation provisions as mandated.

5           This act would take effect on January 1, 2027.

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