

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

Senate Bill 457

By Senators Takubo, Caputo, Deeds, Hamilton, Hunt,
Rucker, Stover, Taylor, Woodrum, and Woelfel

[Introduced January 16, 2024; referred
to the Committee on Government Organization; and
then to the Committee on the Judiciary]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
 2 designated §37-16-1, §37-16-2, §37-16-3, §37-16-4, §37-16-5, §37-16-6, §37-16-7, and
 3 §37-16-8, all relating to creating the Prohibition of Unfair Real Estate Service Agreements
 4 Act; providing for a short title; creating definitions; providing for enforceability; defining a
 5 deceptive act; prohibiting recording; creating the process of recording of a court order;
 6 providing for a right of recovery; and defining relationship to other laws.

Be it enacted by the Legislature of West Virginia:

ARTICLE 16. PROHIBITION OF UNFAIR REAL ESTATE SERVICE AGREEMENTS

ACT.

§37-16-1.	Short	title.
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1	<u>This article shall be known and may be cited as Unfair Real Estate Services Agreements</u>	
2	<u>Act.</u>	

§37-16-2.	Definitions.
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1	<u>The following words and phrases when used in this article shall have the meanings given</u>
2	<u>to them in this section unless the context clearly indicates otherwise:</u>

3	<u>"Consumer" means a person who is the recipient or anticipated recipient of any real estate</u>
4	<u>service.</u>

5	<u>"Person" means any individual, corporation, corporate fiduciary, partnership, limited</u>
6	<u>partnership, limited liability company, joint venture or association as defined by the §30-40-4 of this</u>
7	<u>code.</u>

8	<u>"Real estate service" means an act or acts requiring a real estate license in accordance</u>
9	<u>with the §30-40-3 of this code.</u>

10	<u>"Real estate service agreement" means a contract under which a real estate service</u>
11	<u>provider agrees to provide any real estate service to a consumer.</u>

12	<u>"Real estate service provider" means any person providing or who is anticipated to provide</u>
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13 real estate services to a consumer pursuant to a real estate service agreement.

14 "Recording" means presenting a document to a county recorder of deeds for official
15 placement in the public land records.

16 "Residential real estate" means any interest in real property located within the State of
17 West Virginia that consists of not less than one nor more than four residential dwelling units.

18 "Unfair Real Estate Service Agreement" means any real estate service agreement that:

19 (1) Purports to run with the land or to be binding on future owners of interests in the real
20 property; or

21 (2) Purports to create or allow a lien, encumbrance or other security interest in the
22 property; or

23 (3) Allows for the contract to be assigned without timely notification to the owner of the
24 property.

§37-16-3. Enforceability.

1 Any unfair real estate service agreement is void and unenforceable as a matter of law.

§37-16-4. Deceptive act.

1 If a person enters into an unfair real estate service agreement with a consumer that
2 agreement shall *per se* be deemed a deceptive act under the §46A-6-104 of this code.

§37-16-5. Recording prohibited.

1 (a) No person shall record or cause to be recorded an unfair real estate service agreement
2 or notice or memorandum thereof in this State.

3 (b) A person who records or causes to be recorded an unfair real estate service agreement
4 or notice or memorandum thereof of in this State shall be guilty of a Class three misdemeanor.

5 (c) A county recorder of deeds may refuse to accept for recordation an unfair real estate
6 service agreement.

7 (d) If an unfair real estate service agreement is recorded in this state, it shall not provide
8 actual or constructive notice against an otherwise bona fide purchaser or creditor.

§37-16-6. Recording of court order.

1 If an unfair real estate service agreement or a notice or memorandum thereof is recorded
2 in this state, any party with an interest in the real property that is the subject of that agreement may
3 apply to the county court in the county where the recording exists to record a court order declaring
4 the agreement unenforceable.

§37-16-7. Right of recovery.

1 (a) Any consumer with an interest in real property that is the subject of an unfair real estate
2 service agreement, whether or not any lien or other notice is filed against the property in the office
3 of the county recorder of deeds, may bring a civil action against the real estate service provider.

4 Appropriate relief shall included, but not be limited to:

5 (1) Such preliminary and other equitable or declaratory relief as may be appropriate;

6 (2) An order that the consumer is not required to repay or reimburse any monies paid to the
7 consumer by the real estate service provider;

8 (3) Actual damages suffered by the consumer, with a minimum amount of \$5,000, unless
9 the consumer is sixty (60) years or older, in which case the minimum damages shall be \$15,000.

10 (4) Reasonable attorneys' fees and other litigation costs reasonably incurred.

11 (b) This section does not replace or supersede any other remedy at law or equity that the
12 consumer may have.

§37-16-8. Relationship to other laws.

1 Nothing in this law shall alter or amend any part of the West Virginia Real Estate License
2 Act under §30-40-1 et seq. of this code.

NOTE: The purpose of this bill is to create the Prohibition of Unfair Real Estate Service Agreements Act. The bill provides for a short title. The bill creates definitions. The bill provides for enforceability. The bill defines a deceptive act. The bill prohibits recording. The bill creating the process of recording of a court order. The bill provides for a right of recovery. Finally, the bill explains the relationship to other laws.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.