

Supplements

Property Management Essentials

Attachment A

LOUISIANA REAL ESTATE LICENSE LAWS RELATED TO PROPERTY MANAGEMENT:

§1438: APPLICABILITY

A. The provisions of this Chapter shall not apply to:

(1) Any person, partnership, limited liability company, association or corporation, foreign or domestic, which has not been granted a real estate license in Louisiana and in which, as owner or lessor, either individually or through an employee or representative and performs acts of ownership with reference to property owned by him, except person in the business of selling or managing timeshare interests.

(2) The service rendered by an attorney at law on behalf of a client which may be required in the normal course of other legal representation.

(3) A receiver, trustee in bankruptcy, administrator, executor, tutor, or civil sheriff for any parish of this state.

(4) A trustee selling under a deed of trust or a mortgage.

(5) Any individual, corporation, partnership, trust, limited liability company, joint venture or other entity which sells, exchanges, leases, or manages its own property, except persons, corporations, partnerships, trusts, limited liability companies, joint ventures and other entities who are in the business of selling timeshare interests.

(6) Any salaried person employed by a licensed real estate broker for and on behalf of the owner of any real estate which the licensed broker has contracted to manage for the owner, if the salaried employee is limited in his employment to:

(a) Delivering a lease application, a lease, or any amendment thereof to any person.

(b) Receiving a lease application, lease, or amendment thereof, a security deposit, rental payment, or any related payment for delivery to and made payable to a property manager or owner.

(c) Showing a rental unit to any person, as long as the employee is acting under the direct instructions of the broker, including the execution of leases or rental agreements, provided the broker is responsible for the actions of his employees.

(d) Providing information about a rental unit, a lease, an application for lease, or the status of a security deposit or the payment of rent to any person.

(e) Assisting in the performance of property management functions by carrying out administrative, clerical, or maintenance tasks.

B. Repealed by Acts 1995, No. 1207, §2.

C. Repealed by Acts 1995, No. 1207, §2.

Acts 1978, No. 514, §1. Amended by Acts 1979, No. 404, §1; Acts 1984, No. 552, §2; Acts 1986, No. 835, §1; Acts 1989, No. 655, §1, eff. Jan.1, 1990; Acts 1990, No. 893, §1; Acts 1995, No. 1207, §1.

§1455. Causes for censure, suspension, or revocation of license, registration, or certification

A. The commission may censure a licensee, registrant, or certificate holder or conditionally or unconditionally suspend or revoke any license, registration, or certificate issued under this Chapter, levy fines or impose civil penalties not to exceed five thousand dollars, or impose continuing education requirements on licensees, registrants, or certificate holders if, in the opinion of the commission, a licensee, registrant, or certificate holder is performing or attempting to perform or has performed or has attempted to perform any of the following acts:

* * *

(4) Failure to account for any money coming into his possession belonging to others.

(5) Failure to properly disburse money which belongs to others upon its coming into his possession.

(6) Commingling the money or other property of his principals with his own.

(7) Accepting, giving, or charging any undisclosed commission, rebate, or direct profit on expenditures made for a principal.

* * *

(9) Acting in the dual capacity of agent and undisclosed principal in any transaction. However, such a relationship shall not constitute dual agency if the licensee is the seller or lessor of property that he owns or if the property is owned by a real estate business of which the licensee is the sole proprietor and agent and the same is disclosed to the buyer or tenant.

* * *

(11) Offering real estate for sale or lease without the written consent of the owner or his authorized agents. Undivided real estate may be offered for sale or lease with the written consent of the owner of the property to be sold or leased as to his undivided portion of the property.

(12) Offering real estate for sale or lease on terms other than those authorized by the owner or his authorized agent.

* * *

(17) Failure by an associate broker or salesperson to place, as soon after receipt as practicable, in the custody of his licensed broker any deposit money or other money or funds entrusted to him by any person dealing with him as the representative of his licensed broker or in connection with any transaction involving the sale, lease, or management of real property.

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RULES AND REGULATIONS RELATED TO PROPERTY MANAGEMENT:

Chapter 25. Advertising; Disclosures; Representations

§2503. Owner Authorization

A. No broker or licensee sponsored by said broker shall in any way advertise property belonging to other persons as being for sale or rent or place a sign on any such property offering the property for sale or rent without first obtaining the written authorization to do so by all owners of the property or their authorized attorney in fact.

B. Undivided real estate may be offered for sale or lease with the written consent of the owner of the property to be sold or leased as to his undivided portion of the property.

Chapter 27. Escrow and Trust Accounts

§2701. Resident Broker Requirements

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B. A resident broker, including corporations, partnerships and limited liability companies, engaged in the management of property owned by other persons shall open and maintain a rental trust checking account in a financial institution in the state of Louisiana. All rental trust accounts shall be titled in the identical wording as stated on the broker's license and the wording "Rental Trust Account" shall be imprinted on all checks and bank statements issued in connection with this account. Except as otherwise provided in this Chapter, all funds collected as rental payments from or on behalf of clients in connection with the management of properties owned by other persons shall be deposited into this account.

C. A resident broker, including corporations, partnerships and limited liability companies, engaged in the collection of rental security or damage deposits in connection with property management activities on behalf of clients shall open a security deposit trust checking account in a financial institution in the state of Louisiana. All security deposit trust accounts shall be titled in the identical wording as stated on the broker's license and the wording "Security Deposit Trust Account" shall be imprinted on all checks and bank statements issued in connection with this

account. Except as otherwise provided in this Chapter, all funds collected as rental security or damage deposits from or on behalf of clients shall be deposited into this account.

§2715. Withdrawal

A. Funds deposited into a sales escrow checking account, rental trust checking account, or security deposit trust checking account shall not be withdrawn for any purposes except:

1. upon the mutual written consent of all parties having an interest in the funds;
2. upon court order;
3. to deposit funds into the registry of the court in a concursus proceeding;
4. to disburse funds upon a reasonable interpretation of the contract that authorizes the broker to hold such funds, provided that the disbursement is not made until 10 days after the broker has notified all parties and licensees in writing;
6. to return the funds to a buyer at the time of closing;
7. to cover the payment of service charges on sales escrow checking accounts, rental trust checking accounts, and security deposit trust checking accounts;
8. upon approval by the commission in connection with the sale or acquisition of a licensed entity;
9. to comply with the provisions of R.S. 9:3251 or any other state or federal statute governing the transfer of rents, security deposits or other escrow funds.

B. Deposits shall be disbursed within 30 days of an agreement between the principles in a real estate transaction.

§2717. Deposits

A. Funds received in a real estate sales, lease or management transaction shall be deposited in the appropriate sales escrow checking account, rental trust checking account or security deposit trust checking account of the listing or managing broker unless all parties having an interest in the funds have agreed otherwise in writing.

Attachment B

NATIONAL TRADE ORGANIZATIONS FOR PROPERTY MANAGERS

This is a sample list of national trade organizations for property managers. It is not all inclusive, nor does it serve as a recommendation of these organizations over other organizations of a similar type.



IREM Institute of Real Estate Management

IREM Headquarters

430 North Michigan Avenue

Chicago, Illinois 60611

Phone: (800) 837-0706

Fax: (800) 338-4736

custserv@irem.org



National Association of Residential Property Managers

638 Independence Parkway, Suite 100, Chesapeake, VA 23320 | Phone: (800) 782-

3452 | Fax: (866) 466-2776 | Email: info@narpm.org



*Value Through Professional
Asset Management*

National Property Management Association

4025 Tampa Road

Suite 1203

Oldsmar, FL 34677

Telephone: 813.475.6998

Fax: 813.749.0812

Email: hq@npma.org



**10955 Westmoor Drive, #400
Westminster, CO 80021
866-579-AAOA (2262)
Fax: 303-484-5508**



**Building Owners and Managers Association
1101 15th St., NW Suite 800
Washington, DC 20005
Phone: (202) 408-2662
Fax: (202) 326-6377
e-Mail: info@boma.org**