

By: Representative Zuber

To: Banking and Financial
Services

HOUSE BILL NO. 405

1 AN ACT TO AMEND SECTION 85-7-503, MISSISSIPPI CODE OF 1972,
2 TO CLARIFY THE DEFINITION OF "COMMERCIAL REAL ESTATE" UNDER THE
3 COMMERCIAL REAL ESTATE BROKER LIEN ACT REGARDING ITS USE FOR
4 MULTIFAMILY RESIDENTIAL PURPOSES; AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 **SECTION 1.** Section 85-7-503, Mississippi Code of 1972, is
7 amended as follows:

8 85-7-503. As used in this article, the following terms have
9 the following meanings:

10 (a) "Broker" means a real estate broker licensed
11 pursuant to Section 73-35-3(1).

12 (b) "Broker services" means services for which a
13 license issued by the Mississippi Real Estate Commission is
14 required under Section 73-35-1 et seq.

15 (c) "Commercial real estate" means any real property or
16 any and every interest or estate in land, including leaseholds,
17 timeshares and condominiums, whether corporeal or incorporeal,
18 freehold or nonfreehold, but excluding oil, gas or mineral leases
19 and any other mineral leasehold, mineral estate or mineral



20 interest of any nature whatsoever, which at the time the property
21 or interest is made the subject of an agreement for broker
22 services:

23 (i) Is lawfully used primarily for sales, office,
24 research, institutional, warehouse, manufacturing, industrial or
25 mining purposes or for multifamily residential purposes involving
26 five (5) or more dwelling units; or

27 (ii) May lawfully be used for any of the purposes
28 listed in this paragraph (c) by a duly enacted zoning ordinance or
29 which is the subject of an official application or petition to
30 amend the applicable zoning ordinance to permit any of the uses
31 listed in this paragraph (c) which is under consideration by the
32 government agency with authority to approve the amendment; or

33 (iii) Is in good faith intended to be immediately
34 used for any of the purposes listed in this paragraph (c) by the
35 parties to any contract, lease, option or offer to make any
36 contract, lease, or option.

37 (d) "Compensation" means any compensation that is due a
38 broker for performance of broker services.

39 (e) "Lien claimant" means a broker claiming a lien
40 under this article.

41 (f) "Owner" means the owner of record of any interest
42 in commercial real estate.

43 **SECTION 2.** This act shall take effect and be in force from
44 and after its passage.

