

World Herald appeared about the, I suppose the practices in particular in Douglas County and possibly other places involving real estate commissions and I had in mind, I had submitted an amendment which I have withdrawn for the time being, to try and regulate to some extent the commission charge on the sale of real estate. Now I have here a contract dated January 31, 1973 by a, one of the large real estate agencies in Omaha involving a piece of property which sold for \$1950; 1-9-5-0 dollars, not 19,000. The commission on that was \$900 for the sale; \$1950 sale price, \$900 commission and I got to thinking about that since the commissions are already 8%, already 8% in the Douglas County area, that, you know it has been customary for the Legislature to frequently remark and the public concern about the attorneys' fees, for example, but on an estate, for instance, I would guess a little over 2% for a complete fee involving all Federal Estate taxes, State, State Inheritance taxes and so on and yet the public is outraged and cries out about this but here we have a real estate commission on an \$1850 property of \$900. Now it doesn't say whether the purchaser got a punch in the nose for having the courage to list it with a realtor but apparently that's not in the record, but that's possible; but here we, I want to make a remark about this in equity here whether we can permit this kind of thing. I wonder if this bill, now this came up, this information came up to me and this article appeared in the World Herald. Now with the point system in addition that the savings and loan and financial institutions charge an additional 5%, that means that some luckless victim has to get the job transfer and he's paid on a piece of property for 5 years or so and he sells the property. By the time he gets through he owes for selling the property. He doesn't even get his equity back so I, this came up after the hearing on this bill and I wondered if it would be possible, Senator Duis, do you suppose it might be necessary to incorpo--make some effort to incorporate some distinctions in here on property?

PRESIDENT: Senator Duis.

SENATOR DUIS: Well, Senator Carstens, if somebody agreed to that contract, either there's a horrible mistake or a terrible miscarriage of, even any bonafide real estate man, there must be a mistake, I would think. Now, I don't know if you mean this in jest or not, I, I certainly, if it's coming back, because--I, I don't need to look at it, I trust you implicitly but, I would, I would say that there is something completely wrong with the contract because, let me tell you this about real estate commissions. A real estate commission, when you list a property for sale, the amount of the commission is agreed upon at that particular time by both the seller and the broker so consequently, that cannot be changed and, incidentally, I think that's the proper way it should be because if the seller does not wish to pay that percentage of commission for selling the piece of real estate, he does not have to do so. So, consequently, I hold no fear as to the commission that's charged because it's put into a written listing prior to the time that they make the sale and also upon completion of the sale, the exact amount of commission that's put on the purchase or the offer to purchase agreement and the seller then knows exactly what he has to pay. I'm terribly sorry, I, I would certainly bring this matter of this one before the Real Estate Commission of that contract there because it is completely outlandish and I apologize for whoever did that in the real estate profession because it's either a serious mistake or a miscarriage because, actually, the seller of a piece of real estate knows prior to the sale of that what it's going to cost him and if not, he actually knows it before he signs the purchase agreement so, consequently, I think that's the proper way to go at it.

PRESIDENT: Senator Carstens, do you care to respond?