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Governor Chaffee signs bill to approve Commercial Broker Lien rights in R.I.

June 20, 2013 - Front Section

On Friday June 7th, governor Lincoln Chaffee signed Senate Bill S507 and House Bill H4726, creating Commercial Broker Lien rights in Rhode Island. The Lien Law provides commercial real estate brokers with the option of filing a lien against real estate that is the subject of a commission dispute.

Peter Scotti, a spokesperson in support of this measure said, "This option will protect the broker - particularly on small transactions where the cost of litigation could exceed the commission earned."

The legislation, sponsored by judiciary chairman Mike McCaffery (D, Warwick) and house judiciary vice-chair Michael Marcello (D, Scituate) was filed at the behest of the Rhode Island Commercial and Appraisal Board of Realtors (RICABOR).

Scotti said "This has been two years in the making and was crafted with the valuable input of the RI Title Bar and the Rhode Island Bankers Association. This was a lesson in consensus."

Scotti also recognized the multiple resources the National Association of Realtors Commercial Division offered local Realtors. Attorney James Hochman, of Coman, Anderson, P.C., a national expert on commercial lien rights provided valuable counsel and guidance to the commercial brokerage community in R.I. "We knew we had the right message, the proper advisors and a good team on the ground to make this happen," Scotti said. He thanked Michele Caprio, executive director of the RI Commercial and Appraisal Board and the leadership and staff of the RI Association of Realtors. Members of the board of directors for RICABOR hailed the act as a significant step forward in making sure that the marketing efforts and expertise of commercial brokers are fairly compensated.

RI is among 31 states to pass this type of legislation.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540