



Commercial Brokers Association Listing Turn-In Rule and Lease Acknowledgments

May 29, 2024

This Legal Bulletin describes two important changes impacting CBA members. The first pertains to a recent change in Washington law relaxing the requirements for leases to be acknowledged. The second is a set of revisions to CBA's rules concerning mandatory and optional turn-in of listings.

Lease Acknowledgments

Washington law currently requires any lease whose duration is greater than one year to be acknowledged by a notary. A revision to that requirement goes into effect on June 6, 2024. Under SSB 5840, which was passed unanimously by the Washington legislature in the 2024 legislative session, RCW 64.04.010 is modified to provide that leases do not require acknowledgment unless the parties will record the lease or a memorandum of lease. Accordingly, effective June 6, 2024, CBA lease forms will be revised to include a note on the notary pages informing parties that acknowledgment is required only if the lease or a memorandum thereof will be recorded. Any lease whose term is greater than one year that is entered prior to June 6, 2024, must still be notarized.

CBA members with questions about this change in the law should consult their firm's legal counsel.

Listing Turn-In

CBA Rules 1 and 2 govern mandatory and optional turn-in of certain types of listings. Because CBA's overall purpose is addressed to commercial real estate, CBA made the following changes to clarify the types of listings to be turned in for publication in CBA's listing database.

- Rule 1, pertaining to Mandatory Turn-In, has been revised to clarify that any listing for commercial real estate, as that term is defined by applicable law, must be turned in to CBA.¹ The rule also clarifies that subdivisions, as defined by

¹ The definition of "commercial real estate" in Washington is contained in RCW 60.42.005, and the definition of "commercial real estate" in Idaho is contained in I.C. 54-2004.

applicable law, must be turned in to CBA.² The rule continues to make clear that business opportunities must be turned in to CBA.

- Rule 2, pertaining to Optional Turn-In, has been revised to exclude listings for residential real estate. Effective immediately, CBA will not accept listings for residential real estate. Note that this does not apply to subdivisions, which, as noted above, are subject to mandatory turn-in under Rule 1. Members who have listings for residential real estate should submit those listings to the applicable residential multiple listing service.

² The definition of “subdivision” in Washington is contained in RCW 58.17.020, and the definition of “subdivision” in Idaho is contained in I.C. 50-1301.