



## Things to Know About the Broker Lien Law

HB-1288 was a CAR and DMCAR initiated bill, and one of our top priorities during the 2010 session. Too often, brokers experience problems attempting to recover unpaid commissions and are forced to spend a considerable amount of time and money in the courts to recoup their commissions. In some instances, brokers were compelled to forego pursuing their commissions altogether due to the expense of a lawsuit. CAR passed this legislation to provide commercial brokers recourse for unpaid earned commissions without incurring the time and expense associated with bringing a suit to recover these receivables. HB-1288 places brokers on equal footing with property owners and provides an incentive to resolve any unpaid earned commissions owed to brokers.

### **Status: Signed by the Governor**

[See final bill here.](#)

As introduced, the legislation grants a licensed Colorado real estate broker the ability to record a lien for unpaid commissions if:

- Such real estate is listed with the real estate broker under the terms of a listing agreement or written agreement for the purpose of leasing any interest in commercial property or as evidenced by a written compensation agreement signed by the owner or owner's agent (Only contracts between the broker and the owner or their agent are subject to a lien).
- The broker has provided services that resulted in the procuring of a person or entity who has leased any interest in commercial property as provided for in the terms of the written agreement signed by the owner or owner's agent.
- The broker serves a notice of intent to record a lien upon the owner or owner's agent at least thirty days prior to recording a notice of lien.
- The broker makes a good faith effort to attempt to resolve any unpaid commissions through mediation. Regardless of the outcome of any mediation, nothing impairs the right of a broker to still record a lien.
- The broker records a notice of lien in the office of the clerk and recorder of the county in which the commercial property is located within (i) ninety days after the tenant takes possession of the leased property; or (ii) ninety days after the compensation is due, as per the written agreement, whichever is later.
- The broker mails a copy of the notice of lien to the owner or owner's agent of the property by personal service, or by registered or certified mail, return receipt requested, addressed to the last known address of such persons, within ten days of recording the notice of lien.

\*A broker's lien will be void if the broker does not strictly adhere to the timing and procedural requirements of this proposal. \*