

TO: STATE BROKERS AND LICENSEES
FROM: KREC Legal Department
DATE: AUGUST 26, 2003 (Revised July 13, 2005)
RE: HANDLING REFERRAL FEES

The question has arisen as to how a licensed broker or agent in Kentucky can legally handle a referral fee to a relocation company or out-of-state broker or other licensed affinity program.

Under Kentucky law, a licensed broker can legally pay a referral fee to a broker licensed in this or any other state for referring a client or customer to that Kentucky broker. Please see KRS 324.020(4) for the precise language of the law.

Please contact the Commission's legal department with any questions about this matter.