

BILL ANALYSIS

Senate Research Center

S.B. 221
By: Sibley
State Affairs
1-24-97
Committee Report (Unamended)

DIGEST

Currently, Texas law provides for the suspension or revocation of a real estate license for failure to include a definite termination date in any contract. This requires property management agreements to have definite termination dates that are not subject to prior notice. Traditionally, a property manager might enter into an agreement that would automatically renew from year to year. Property management agreements are typically ongoing relationships that may last several years. This bill will authorize real estate brokers to enter into property management agreements that do not have definite termination dates.

PURPOSE

As proposed, S.B. 221 authorizes real estate brokers to enter into property management agreements that do not have definite termination dates.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 15(a), Article 6573a, V.T.C.S.(The Real Estate License Act), to authorize the Texas Real Estate Commission to suspend or revoke a license issued under provisions of this Act at any time when it is determined that the licensee, while performing an act constituting an act of a broker or salesman, as defined by this Act, has been guilty of failing to specify a definite termination date that is not subject to prior notice in a contract, other than a contract to perform property management services, in which the licensee agrees to perform services for which a license is required under this Act. Makes conforming changes.

SECTION 2. Effective date: September 1, 1997.
Makes application of this Act prospective.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

There were no committee changes.