

"Minimum Services legislation"

June 2006 Legislative Update
FROM THE GENERAL ASSEMBLY...

As the General Assembly's session ends, there are several key pieces of legislation that Realtors should be aware of. For more in depth information on any of these pieces of legislation , please visit the General Assembly's website.

<http://www.legislature.state.tn.us/bills/currentga/Summary.aspx?BillNumber=SB2897%20/%20HB3080>

Bill Summary for *SB2897 / HB3080

Present law specifies that a real estate licensee acting as an agent has the duty to obey lawful instructions by client and be loyal to the interests of the client. This bill further specifies the **duties of a licensee acting as a facilitator or agent in a transaction** regulated by the Tennessee Real Estate Broker License Act of 1973, as follows:

- (1) The duty to accept delivery of and present to the client or customer offers and counteroffers to buy, sell, or lease the client's or customer's property or the property the client or customer seeks to purchase or lease;
- (2) The duty to assist the client or customer in developing, communicating, negotiating, and presenting offers, counteroffers, and notices relating to the offers and counteroffers until a lease or purchase agreement is signed and all contingencies are either satisfied or waived; and
- (3) The duty to answer the client's or customer's questions relating to the offers, counteroffers, notices, and contingencies. This bill also removes the specification, in regard to the present law requirement that agents exercise skill and care and provide good and honest services, that such requirement applies "to all parties to a transaction."

Furthermore, an amendment was added which rewrites this bill and specifies that the negotiation and execution of either **an exclusive agency listing agreement or an exclusive right to sell listing agreement** with a prospective seller **establishes an agency relationship with the seller.**

*****This amendment also requires a licensee to assist a client by doing the following, unless the client specifically waives the individual duty:***

- (1) Schedule all property showings on behalf of the client;
- (2) Receive all offers and counter offers and forward them promptly to the client;
- (3) Answer any questions that the client may have in negotiation of a successful purchase agreement within the scope of the licensee's expertise; and
- (4) Advise the client as to whatever forms, procedures, and steps are needed after execution of the purchase agreement for a successful closing of the transaction.