

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB3318
Version:	CS
Request Number:	10321
Author:	Bashore
Date:	2/21/2024
Impact:	\$0

Research Analysis

The committee substitute for HB3318 invalidates unfair services agreements related to the maintenance of, purchase, or sale of residential real estate and prohibits the recording of such agreements in county records. Services agreement are considered unfair if the service subject is not performed within 1 year of the agreement date, or if the agreement automatically renews itself after 1 year and includes any provision that bind the agreement to future owners of the property, assigns a right to provide service without the consent or notice to the property owner or creates a lien or other real property security interest.

County clerks are prohibited from recording unfair services agreement, but are not liable if they accidentally do so. An interest owner of the property can ask the district court to declare an agreement unenforceable and can recover damages, cost and attorney fees against the service provider who recorded the unfair agreement.

Prepared By: Quyen Do

Fiscal Analysis

This measure creates the Prohibition of Unfair Service Agreements Act which relates to civil procedure and invalidates certain unfair service agreements. In its current form, HB3318 is not anticipated to have an impact on state budget or appropriations.

Prepared By: Robert Flipping IV, House Fiscal Staff

Other Considerations

None.