

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 368

January 28, 2023

SUMMARY OF BILL: Establishes that a service agreement in connection with the maintenance, purchase or sale of residential real estate is unfair and unenforceable if any part of the service subject to the agreement is not to be performed within one year after the time the agreement is entered into and has one or more outlined characteristics. Provides certain exceptions. Prohibits a service provider from recording or causing to be recorded an unfair service agreement or notice or memorandum. Establishes a service provider who violates the recording prohibition is liable to an affected party for \$10,000 in statutory damages as well as other damages and fees.

Authorizes a person with an interest in the real property in the agreement to bring a private right of action to recover actual damages. Authorizes the Attorney General and Reporter (AG) to enforce such violations on behalf of the citizens of this state.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Any increase in the number of complaints handled by the AG is estimated to be not significant and can be handled by existing staff during normal work hours.
- Any additional AG duties resulting from the proposed legislation will be absorbed using existing resources.
- Any additional workload on the courts, as a result of this legislation, can be accommodated within existing resources and personnel.
- Based on the Fiscal Review Committee's 2008 study and the Administrative Office of the Courts' 2012 study on collection of court costs, fees, and fines, collection in criminal cases is insignificant. The proposed legislation will not significantly change state or local revenue.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

SB 368

Assumption:

- Any impact to commerce or jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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