



March 13, 2023

SUMMARY OF BILL AS AMENDED (005062): Establishes that a recorded service agreement in connection with the sale of residential real estate or the sale of any product or the performance of any personal service on or for the maintenance of residential real estate is void and unenforceable if the agreement: (1) purports to run with the land or to be binding on future owners of interests in the real property; (2) allows for assignment of the right to provide services without notice to and the consent of the owner of residential real estate; or (3) purports to create a lien, encumbrance, or other real property security interest. 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 OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- 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 OF BILL AS AMENDED:

NOT SIGNIFICANT

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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