

CHAPTER 984

S.B. No. 314

AN ACT

relating to a real estate broker's or salesman's ability to represent more than one party to a transaction.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 15C, The Real Estate License Act (Article 6573a, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 15C. (a) *A real estate broker may not act [This Act does not prohibit a licensee from acting] as an agent for more than one party to a transaction unless:*

(1) *the real estate broker, prior to entering into any written agreements to represent more than one party to the transaction, in accordance with the rules of the commission, provides the parties with the applicable agency disclosure form promulgated by the commission which defines common agency relationships, duties of the broker, and potential conflicts that may develop;*

(2) *the real estate broker enters into written agreements in which all parties to the transaction consent to and authorize the real estate broker to represent more than one party to the transaction; and*

(3) *the written agreements set forth the source of any expected compensation to the real estate broker.*

(b) *A written listing agreement to represent a seller or landlord or a written agreement to represent a buyer or tenant which authorizes a real estate broker to act as agent for more than one party to a transaction is sufficient to establish written consent of the party to the agreement for the real estate broker to represent more than one party to the transaction under this section if the written agreement sets forth, in conspicuous bold or underlined print, the broker's obligations under Subsection (c) of this section.*

(c) *A real estate broker who acts as an agent for more than one party to a transaction shall:*

(1) *not disclose to the buyer or tenant that the seller or landlord will accept a price less than the asking price unless otherwise instructed in a separate writing by the seller or landlord;*

(2) *not disclose to the seller or landlord that the buyer or tenant will pay a price greater than the price submitted in a written offer to the seller or landlord unless otherwise instructed in a separate writing by the buyer or tenant;*

(3) *not disclose any confidential information or any information a party specifically instructs the real estate broker in writing not to disclose unless otherwise instructed in a separate writing by the respective party or required to disclose such information by law; and*

(4) *treat all parties to the transaction honestly and impartially so as not to favor one party or work to the disadvantage of any party.*

(d) *The real estate broker shall use due diligence to assist the parties in understanding the consents, agreements, or instructions under this section in which the real estate broker is permitted to represent more than one party to a transaction [if the representation is disclosed to the parties and the parties represented by the licensee consent to the representation].*

SECTION 2. This Act takes effect September 1, 1993.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the

constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on May 7, 1993, by a viva-voce vote; passed the House on May 22, 1993, by a non-record vote.

Approved June 19, 1993.

Effective Sept. 1, 1993.