

SENATE BILL 2897
By Woodson

AN ACT to amend Tennessee Code Annotated, Title 62,
Chapter 13, relative to real estate brokers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 62-13-403, is amended by deleting subdivisions (1) and (4) in their entirety and substituting instead the following:

- (1) Diligently exercise reasonable skill and care;
- (4) Act with honesty and good faith;

SECTION 2. Tennessee Code Annotated, Section 62-13-404, is amended by deleting the section in its entirety and substituting instead the following:

62-13-404.

(a) Any licensee who acts as an agent in a transaction regulated by the Tennessee Real Estate Broker License Act of 1973 owes to such licensee's client in that transaction the following duties:

- (1) To obey all lawful instructions of the client when such instructions are within the scope of the agency agreement between licensee and licensee's client; and
- (2) To be loyal to the interests of the client. A licensee must place the interests of the client before all others in negotiation of a transaction and in other activities, except where such loyalty duty would violate the licensee's duty to a customer under §62-13-402 or a licensee's duty to another client in a dual agency.

(b) Any licensee who acts as a facilitator or agent in a transaction regulated by the Tennessee Real Estate Broker License Act of 1973 owes to such licensee's client or customer in that transaction the following duties:

(1) 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) To assist the client or customer in developing, communicating, negotiating, and presenting offers, counteroffers, and notices that relate to the offers and the counteroffers until a lease or purchase agreement is signed and all contingencies are satisfied or waived; and

(3) To answer the client's or customer's questions relating to the offers, counteroffers, notices, and contingencies.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.