

New Laws Explained

The 89th Texas Legislature enacted several laws that affect your business. Below are resources that walk you through some of these changes:

Cold-Calling and Texting

You've been required for years to follow state and federal do-not-call laws. Senate Bill 140, passed during the most recent session of the Texas Legislature, changed those laws. Here's what's new and, just as important, what's not new but remains important to know.

What Changed

- SB 140 expanded what counts as a “telephone call” and “telephone solicitation” when selling goods or services to include:
 - Text messages
 - Graphic/image messages
 - Other types of electronic transmissions sent to a phone number.
- This expansion now prohibits unsolicited text messages, graphic/image messages, and other types of electronic transmissions to a phone or fax number (in addition to the unsolicited telephone calls) unless they meet certain criteria or exceptions under various statutes (Chapters 301, 302, 304 and 305 of the Texas Business and Commerce Code).
- SB 140 also expanded the application of deceptive trade practices laws. More types of telephone solicitation violations are now automatically considered “false, misleading, or deceptive” under the deceptive trade practices laws.
- This makes penalties for telephone solicitation violations in Texas even costlier.
- Consumers can sue and collect damages for each violation, even if they've already won damages for similar violations in the past.

Big Picture, What Does the Law Say?

- Texas has several laws on “telephone solicitation.” They cover calls, texts, graphic messages, images, and faxes to a phone number used to sell or promote services. Note: Various terms are used in the statutes, and each have slightly different meaning. For ease of reading, we used “telephone solicitation” generically throughout.
- Federal rules still apply (e.g., national do-not-call, robocalls). The information provided here covers Texas laws only.

If You Are Soliciting Business Through Calls and Texts

- Identify yourself right away: You should state your name, your company, and why you’re calling.
- Reach out only during allowed hours: 9 a.m. to 9 p.m. Monday through Saturday and 12 p.m. to 9 p.m. on Sundays.
- Don’t hide your caller ID or pretend to be someone else.
- Check the Texas No-Call List at least quarterly and keep proof you checked. Don’t reach out to listed numbers unless an exception applies.
- Know that texts count as calls. Same rules apply.
- Avoid autodialers/robotexting for cold outreach. Many exemptions do not apply if you use them.
- If anyone says, “do not call or text,” stop and keep a do-not-call/text list.
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Modernizing Real Estate Agency Law

MODERNIZING REAL ESTATE AGENCY LAW (SB 1968) Updates to The Real Estate License Act (TRELA) to ensure that the rules that apply to license holders reflect modern practices and provide greater clarity to brokers, agents, clients, and customers. Effective date: January 1, 2026

Texas REALTORS®—recognizing a need to update aspects of real estate license law to address areas of confusion or out-of-date practices—worked with elected officials to promote the interests of consumers and license holders. Association leadership saw this legislative session as a perfect opportunity to make positive changes for license holders and the clients and customers they serve.

WHAT DOES THIS BILL DO? Eliminates subagency in all real estate transactions. That includes residential, commercial, vacant land, farm & ranch—every type of real estate transaction. Subagency created confusion for consumers and agents alike. This change gives consumers greater clarity regarding their relationship with agents and makes agent-client responsibilities more transparent.

Creates the ability to show property to any party without representation, if the broker: 1. Has not agreed, either orally or in writing, to represent the prospective buyer. 2. Is not otherwise acting as the prospective buyer's agent at the time of the showing. 3. Does not provide opinions or advice regarding the property or real estate transactions in general. 4. Does not perform any other act of real estate brokerage activity. 5. Complies with current requirements of disclosing representation and providing the IABS prior to the showing.

Requires written agreements with prospective buyers of residential property. The agreement must be entered into prior to showing the real property, or if there is no showing, before presenting a purchase offer.

The written agreement can be a full representation agreement or a showing-only agreement without representation if that is the only service being provided.

New rules require that all written buyer agreements include: 1. The services to be provided 2. The termination date of the agreement 3. Whether the agreement is exclusive or non-exclusive 4. Whether the license holder represents the buyer as the buyer's agent or does not represent the buyer as the buyer's agent if showing real property is the only brokerage act being performed 5. The amount or rate of compensation the broker will receive and how the amount is determined 6. Conspicuous language that broker compensation is not set by law and is fully negotiable.

Texas REALTORS® buyer representation forms meet these new requirements.

For a showing-only agreement without representation, the agreement may not be exclusive and may not include a termination date more than 14 days from the date the agreement is entered into. Look for a new Texas

REALTORS® showing-only agreement soon that meets the new requirements.

If a showing-only agreement is entered into and the prospective buyer wants the license holder to provide any other acts of real estate brokerage, the license holder must enter into a separate representation agreement with the buyer.

A license holder who hosts an open house for a home not listed with that license holder's brokerage must now have a written agreement with anyone who views the property. The written agreement could be as simple as a non-exclusive showing agreement that attendees sign at the entry of the property. Every person attending the open house needs to have the IABS form explained and contain their initials prior to viewing the home.

The bill makes additional changes that affect license holders:

Expands the requirement for taking a broker responsibility course to all brokers, not just designated brokers, supervising brokers, and sales agents who supervise other license holders. Broker applicants are also now required to take a broker responsibility course.

Recognizes a category of "associated brokers." This allows TREC to provide a notice to the sponsoring broker when an affiliated associated broker is the subject of an investigation.

Requires license holders to provide TREC their business address and business phone number. This is in addition to existing requirement to provide TREC with a mailing address and business email address and notify TREC of changes to such information.

Lease Updates

FLOODPLAIN NOTICES (SB 2349)

Effective date: September 1, 2025

Creates two specific exemptions to current floodplain notice requirements. Provides alternatives for how notices can be delivered when notice is required.

Leases that are exempt from floodplain notice requirements

- Leases with terms of less than 30 days •
- Temporary residential tenancies created by a contract for sale (leasebacks) of not.

In these instances, the landlord will no longer have to provide the written notice to prospective tenants about whether the landlord is aware that the dwelling is in a 100-year floodplain or has flooded during the past 5 years.

Flood-notice changes for longer leases

As an alternative to a separate written document as required under current law, the notices may be given to a tenant at or before execution of an applicable lease in a paragraph of the lease or as an addendum to the lease. The landlord and tenant must sign the document containing the required notice

Texas REALTORS® has updated TXR 2015 based on the change in the law.

SECURITY DEPOSIT NOTICE & INTENT TO REPAIR

CHANGES (HB 2037) effective date: September 1, 2025

- Establishes that a managing agent, leasing agent, or resident manager is the agent of the landlord for purposes of notice and other communications required or permitted by state law relating to security deposits for residential tenancies.
- Authorizes such notices and communications to be sent by email if the tenant and the landlord or landlord's agent have previously communicated by email.

Notice of Intent to Repair Currently, when a tenant provides a notice of intent to repair under a residential tenancy or manufactured home tenancy, the Property Code requires that the repairs be made by a company, contractor, or repairman listed in

the yellow or business pages of the telephone directory or in the classified advertising section of an applicable newspaper. This law updates that requirement to now simply state that a company, contractor, or repairman be independent.

Additionally, if the rental unit is located in a municipality that requires it, the person or entity performing the repair must be licensed in accordance with the municipality's requirements.

RIGHT TO VACATE FOLLOWING CERTAIN SEX OFFENSES OR STALKING (HB 47) Effective date: September 1, 2025

Updates this provision to remove the requirement that certain sex offenses, or attempts to commit certain sex offenses, had to occur on the premises or at any dwelling on the premises for a tenant to terminate a lease based on the tenant's victimization by certain sexual or assaultive offenses.

Squatters Laws & Eviction Reform

Eviction Reform (SB 38) effective date: January 1, 2026

Amends current law to streamline the eviction from real property of certain persons not entitled to enter, occupy, or remain in possession of the premises.

Clarifies how to calculate time for an eviction process

- The calculated period of time does not include the day of the event.
- It does include Saturday, Sunday, and holidays.
- It includes the last day of the period. However, if the last day of the period is a Saturday, Sunday, or a state or federal holiday, the deadline is extended to the next day that is not a weekend or holiday.

Changes some requirements and method of delivery for the notice to vacate

- The current three-day notice (or shorter one-day notice agreed to in the Texas REALTORS® lease) is still required.
- However, there are now different requirements for tenants who have received a notice to vacate for nonpayment of rent and those who have not. If it is a tenant's first notice, they must first receive a notice to vacate or pay. This gives the tenant the opportunity to cure their breach by paying the delinquent amount. If not, they must vacate the premises in order to avoid an eviction.
- There is now the option of delivery via email or electronic means.
- Appearance in court waives any delivery challenge by the tenant.

Provides a streamlined process in some cases

- A landlord can now file a motion for summary disposition with the eviction petition in a forcible entry and detainer proceeding (traditional squatter but also falsified documents and some other scenarios).
- If the motion shows that there are no genuinely disputed facts, the court may enter judgment without trial. If the court determines there are genuinely disputed facts, the trial must be held within 10-21 days after the petition was originally filed. The court may not postpone the trial for more than seven days unless the parties agree to postponement in writing.
- Authorizes electronic proceedings if the parties agree to it.
- Requires the sheriff or constable to serve a writ of possession not later than the fifth business day after issued. If this does not

occur, the landlord is now able to have the writ served by an alternative law enforcement officer.

Expedited Removal of Squatters (SB 1333) Effective date: September 1, 2025

Amends the Property Code to authorize an owner of residential property or the owner's agent to request a sheriff or constable immediately remove a person who unlawfully entered and is occupying a dwelling on the property without the owner's consent under the following conditions:

1. The property was not open to the public when the person entered the property and is not the subject of pending litigation between the owner and the person.
2. The owner or the owner's agent has directed the person to leave the property, and the person has not done so; and
3. The person is not a current or former tenant of the owner under an oral or written lease or an immediate family member of the owner.

If these circumstances are met, an owner or owner's agent may request removal of the person by filing a complaint (see statute for written form for the complaint), made under oath or made as an unsworn declaration, to the sheriff or constable of the county in which the property is located.

After the sheriff or constable verifies ownership of the property, that law enforcement officer must, without delay, serve notice on the person to immediately vacate the dwelling and put the owner in possession of the dwelling.

Additionally, Senate Bill 1333 amends the Penal Code to allow for criminal charges for fraudulent squatters.

Foreign Acquisition of Property

Law restricts property purchases and leases for people and entities from certain countries. Effective date: September 1, 2025

WHAT DOES SB 17 DO?

SB 17 restricts the acquisition of real property interests in Texas by certain individuals, entities, and governments associated with countries designated by the U.S. director of national intelligence as a national security threat. The Texas governor may also expand the application of the law to additional countries or entities.

**WHICH COUNTRIES ARE CURRENTLY ON THE LIST?
(August 11, 2025) China, Russia, Iran, and North Korea.**

WHAT TYPES OF PROPERTIES ARE AFFECTED?

The restrictions apply to the acquisition of a broad range of real property interests, including residential, commercial, industrial, agricultural land and improvements, minerals, mines and quarries, timber, groundwater, and water rights.

The law applies to purchases, acquisitions, and leases of one year or more.

WHAT ABOUT TRANSACTIONS THAT CLOSED BEFORE SEPTEMBER?

The law does not impact the purchase of real property if the closing occurs prior to SB 17's effective date of September 1, 2025, nor does it affect a lease entered into before the effective date.

WHO DOES SB 17 AFFECT?

SB 17 applies to those domiciled in a designated country, citizens of or acting on behalf of a designated country, or those affiliated with a designated country's ruling political party. However, certain individuals lawfully present in the U.S. at the time of purchase may acquire property for use as a homestead.

The bill also applies to entities headquartered in a designated country or that are affiliated with, owned, or controlled by the government of such a country or by other prohibited persons or entities.

Exceptions include U.S. citizens, lawful permanent residents, and entities they own or control—unless such entities are owned or controlled by prohibited parties.

HOW IS THIS LAW ENFORCED?

The Texas attorney general is responsible for enforcing the law and must implement procedures to review property transactions to determine whether an investigation is warranted

If the attorney general determines a violation has occurred, the attorney general may file a legal action against the property, and the court may order the divestment or other disposition of any unlawfully acquired ownership interest. A leasehold interest may also be terminated or voided.

Violations may also result in criminal prosecution, including a potential state jail felony for individuals, or civil penalties for entities of either \$250,000 or 50% of the unlawfully acquired interest's market value—whichever is greater. These potential sanctions only apply to individuals or entities not permitted by the law to acquire such an interest. SB 17 does not invalidate a purchase contract even if the transaction would otherwise fall

under the law's restrictions. Real estate professionals are not responsible for applying or enforcing this new law.

Texas REALTORS® is considering whether form changes are necessary to apprise buyers and tenants of the new law. We will also be monitoring any updates from the attorney general's office and will provide more information as it becomes available.

BE AWARE Nothing in SB 17 changes your obligation to comply with the federal Fair Housing Act. Additionally, the REALTOR® Code of Ethics obligates REALTORS® to provide equal professional services to all consumers.

SB 17 goes into effect September 1, 2025.

At least one lawsuit has already been filed challenging the constitutionality of the new restrictions.

Texas REALTORS® is monitoring legal challenges to the law and will provide additional information when available.

Other Laws That May Affect Real Estate Professionals

Changes to Telephone Solicitation and Do Not Call Rules (SB 140) Effective date: September 1, 2025

Expands what counts as a “telephone call” and “telephone solicitation” when selling goods or services to include:

- Text messages
- Graphic/image messages
- Other types of electronic transmissions

Breaking these rules is now automatically considered “false, misleading, or deceptive” under Texas consumer protection laws, also known as deceptive trade practices laws.

- This makes penalties for telemarketing violations in Texas even costlier.
- Consumers can sue and collect damages for each violation, even if they've already won damages for similar violations in the past.

The law does not change the requirement for parties who must register under the Texas Business Commercial Code (Sec. 302.101).

Cybersecurity Program Safe Harbor for Small Businesses (SB 2610) Effective date September 1, 2025

Small businesses—defined as having fewer than 250 employees—that hold sensitive personal information are provided a safe harbor to protect them from additional punitive damage for a data breach if the company had a cybersecurity protection program in place at the time of the breach.

The requirements for a cybersecurity program vary depending on the size of the small business.

Bandit Signs (HB 3611) Effective date: September 1, 2025 Texas law already prohibited placing signs on the right of way of a public road unless otherwise authorized by law. Signs placed in violation of the law may be confiscated by a sheriff or constable and sold at auction after notice to the sign owner. Additionally, the person who placed the sign is subject to civil and criminal penalties.

HB 3611 modifies the existing law in two ways:

1) Prior to pursuing civil penalties for a first offense, a municipality must notify the owner in writing and allow an opportunity for the owner to remove the sign. No penalty can be assessed if the owner removes the sign within the allotted time. The specific time

for removing the sign is at the discretion of the municipality issuing the notice.

2) Allowable civil penalties are increased to amounts not to exceed:

- \$1,000 - first offense
- \$2,500 - second offense
- \$5,000 - third offense. Remember to always check with the local municipalities to ensure compliance with sign placement and permitting requirements.

Open House Signs on Rights of Way

Yes. Texas law prohibits placing signs on the right-of-way of a public road unless otherwise authorized by law.

House Bill 3611 from the 2025 Texas Legislature did not change the sign rules but changed the rules about the penalties for signs. Prior to pursuing civil penalties for a first offense, a municipality must now notify the owner in writing and allow an opportunity for the owner to remove the sign. No civil penalty can be assessed if the owner removes the sign within the allotted time. The specific time for removing the sign is at the discretion of the municipality issuing the notice.

If you wish to place a sign in a common area that is not in the right-of-way of a public road, you should check with the local municipality or property owners association to confirm whether a sign may be placed at the desired location. When placing signs on private property you must first obtain the written consent of the property owner.