



New laws from the 89th Texas Legislature

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Texas REALTORS®—recognizing a need to update aspects of real estate license law to address areas of confusion or out-of-date practices—worked with elected officials to promote the interests of consumers and license holders.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.

License holders performing showings without representation *may* confirm information regarding the size, price, and terms of the property.

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.

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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.

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.

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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.

Texas REALTORS® will provide additional information to members about SB 1968 prior to the law becoming effective at the beginning of next year.