

BILL ANALYSIS

Senate Research Center

S.B. 1647
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Business & Commerce
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Enrolled

DIGEST AND PURPOSE

Timeshare transactions include the sale, exchange, option, lease, or rental of a timeshare interest. Most developers of timeshare properties use standardized contract forms, closing documents, and disclosure documents for the transfer of timeshare interests in their timeshare resorts. S.B. 1647 authorizes a timeshare developer to charge a fee for completion of the forms and clarifies that the completion and the charging of a fee by the developer will not constitute the unauthorized or illegal practice of law if the contract or document has been accepted by the Texas Real Estate Commission for use in the particular type of transaction involved, or prepared by a Texas attorney for such purpose.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 221, Property Code, by adding Section 221.036, as follows:

Sec. 221.036. DEVELOPER PREPARATION AND COMPLETION OF DOCUMENTS. (a) Authorizes a developer to charge a reasonable fee for completion of a contract form, closing document, or disclosure document required for the sale, exchange, option, lease, or rental of a timeshare interest.

(b) Provides that the action of a developer under Subsection (a) does not constitute the unauthorized or illegal practice of law in this state if the contract or document has been accepted by the Texas Real Estate Commission or prepared by an attorney licensed to practice law in this state for use in the particular type of transaction involved.

SECTION 2. Effective date: upon passage or September 1, 2003.