

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 22, 2025

TO: Honorable Angie Chen Button, Chair, House Committee on Trade, Workforce & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4204 by Harless (Relating to prohibiting the use of unfair service agreements; creating an offense.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Business and Commerce Code to prohibit unfair service agreements, as defined, in the context of residential real estate.

The bill would make it a class A misdemeanor for any person to file an unfair service agreement or notice of such an agreement and it would allow any person with an interest in the affected real estate to seek a court order declaring the agreement and notice void. The bill would allow any person with an interest in the real property affected by an unfair service agreement to sue for actual damages, attorney's fees, and other reasonable litigation expenses.

According to the Office of the Attorney General, although the agency may receive consumer complaints or be called upon to provide legal interpretation, the agency anticipates any legal or advisory workload could be absorbed within existing resources.

The Office of Court Administration does not anticipate a significant fiscal impact on the state court system.

It is assumed that any impact on state correctional populations or on the demand for state correctional resources would not be significant.

Local Government Impact

There could be an impact on local government to the extent there is an increase in case filings and prosecutions.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General

LBB Staff: JMc, RStu, DA, NTh