

SENATE BILL 1945

By Hensley

AN ACT to amend Tennessee Code Annotated, Title 8;
Title 13; Title 39; Title 47; Title 66 and Title 71,
relative to real property.

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

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, Part 1, is amended by adding the following as a new section:

(a) If an offeror makes an unsolicited offer to purchase real property by sending a written agreement or contract for purchase through the mail to an offeree and the offeror does not use the assistance of a broker, as defined in § 62-13-102, who is licensed in this state to make an unsolicited offer, then the offeree may cancel the agreement or contract by mailing written notice of the offeree's election to cancel to the offeror postmarked within thirty (30) days from the date of the confirmation letter described in subdivision (b)(3).

(b) An unsolicited offer to purchase real property by sending a written agreement or contract for purchase through the mail is not deemed accepted by the offeree until:

- (1) The offeree signs the agreement or contract;
- (2) The offeror receives the signed agreement or contract;
- (3) The offeror sends by mail a letter to the offeree that confirms receipt of the signed agreement or contract, describes the offeree's right to cancel the agreement or contract, describes the manner by which the offeree may cancel; and states the date by which the offeree must cancel; and

(4) The offeror registers the signed agreement or contract, and the confirmation letter described in subdivision (b)(3), with the register of deeds in the county in which the applicable real property is located.

(c) Cancellation of the agreement or contract under this section is without penalty to the offeree. However, the offeree shall, within thirty (30) days following cancellation under this section, return all payments made by the offeror to the offeree.

(d) The offeree's right to cancellation under this section may not be waived.

(e) A third-party buyer who purchases the real property from the offeror prior to the expiration of the offeree's right to cancellation under this section takes title to the real property subject to the offeree's right to cancellation. If the offeree exercises the offeree's right to cancellation under this section, then the title acquired by the third-party buyer is voided and the title immediately returns to the offeree.

(f) A violation of this section by an offeror constitutes an unfair or deceptive act prohibited under § 47-18-104, and is punishable as provided in this part.

SECTION 2. This act takes effect July 1, 2022, the public welfare requiring it, and applies to agreements or contracts entered into on or after that date.