

BUSINESS AND COMMERCE CODE

TITLE 5. REGULATION OF BUSINESSES AND SERVICES

SUBTITLE C. BUSINESS OPERATIONS

Chapter 121, consisting of Secs. 121.001 to 121.006, was added by Acts 2025, 89th Leg., R.S., Ch. 497 (S.B. 1383), Sec. 1.

For another Chapter 121, consisting of Secs. 121.001 to 121.102, added by Acts 2025, 89th Leg., R.S., Ch. 200 (S.B. 2420), Sec. 1, see Sec. 121.001 et seq., post.

For another Chapter 121, consisting of Secs. 121.001 to 121.104, added by Acts 2025, 89th Leg., R.S., Ch. 943 (H.B. 2963), Sec. 1, see Sec. 121.001 et seq., post.

For another Chapter 121, consisting of Secs. 121.001 to 121.002, added by Acts 2025, 89th Leg., R.S., Ch. 1089 (H.B. 3966), Sec. 1, see Sec. 121.001 et seq., post.

CHAPTER 121. REFERRAL AGENCIES FOR SENIOR LIVING COMMUNITIES

Sec. 121.001. DEFINITIONS. In this chapter:

(1) "Consumer" means an individual seeking a referral to a senior living community.

(2) "Referral agency" means an entity that provides referrals of senior living communities to consumers for a fee collected from a consumer or community. The term does not include:

(A) a senior living community or its employees;
or

(B) a resident, resident's family member, or patron of a senior living community who refers a consumer to the community regardless of any discount or other remuneration the community pays to that individual.

(3) "Senior living community" means an adult foster care facility, life care facility, assisted living facility licensed under Chapter 247, Health and Safety Code, retirement home, memory care facility, retirement village, home for the aging, or other facility that provides shelter, food, social activities, or other personal services specifically for elderly individuals.

Added by Acts 2025, 89th Leg., R.S., Ch. 497 (S.B. 1383), Sec. 1, eff. June 20, 2025.

Sec. 121.002. REFERRAL AGENCIES; REQUIRED DISCLOSURE.

(a) At the time of a referral, a referral agency shall provide a disclosure statement to the consumer that includes:

- (1) a description of the referral agency's services;
- (2) a statement on whether the consumer or the senior living community to which the consumer is referred is responsible for paying the referral fee;
- (3) a statement that the consumer may stop using the referral agency at any time without cause or penalty; and
- (4) a statement that the list of senior living communities the referral agency provides to the consumer may not include all communities in the area that meet the consumer's stated preferences and needs.

(b) A referral agency shall provide the disclosure statement described by Subsection (a) to a consumer in the form of a written physical or electronic document.

(c) A referral agency shall consider the consumer's preferences in selecting the senior living community to which the agency refers the consumer, and a referral agency may not use cost as the sole factor in that selection.

(d) A senior living community may not be required to contract with or otherwise use a referral agency.

(e) If a consumer decides to stop using a referral agency, the referral agency shall communicate the consumer's decision to all senior living communities to which the referral agency has referred the consumer.

Added by Acts 2025, 89th Leg., R.S., Ch. 497 (S.B. [1383](#)), Sec. 1, eff. June 20, 2025.

Sec. 121.003. REFERRAL AGENCY PROHIBITED CONDUCT. A referral agency may not:

- (1) refer a consumer to a senior living community in which the referral agency has an ownership, management, or financial interest;
- (2) hold a power of attorney for a consumer or hold a consumer's property in any capacity;
- (3) knowingly refer a consumer to a senior living

community that is unlicensed and is not exempt from licensing under applicable law;

(4) collect a referral fee when a consumer transfers from one property of a senior living community to another property of the same senior living community unless the consumer has engaged the referral agency to help facilitate the consumer's transfer to another property and the referral agency provided the consumer more than one referral; or

(5) collect a referral fee after the expiration of the referral according to the contract between the referral agency and the senior living community.

Added by Acts 2025, 89th Leg., R.S., Ch. 497 (S.B. [1383](#)), Sec. 1, eff. June 20, 2025.

Sec. 121.004. DUTIES. A referral agency shall:

(1) use a nationally accredited service provider to obtain criminal history record information of:

(A) a new employee of the referral agency who will have direct contact with a consumer; and

(B) a referral agency employee who physically enters a senior living community for the purpose of making a referral to a consumer;

(2) maintain liability insurance coverage for negligent acts or omissions by the referral agency or its employees;

(3) audit each senior living community with respect to which the referral agency provides referrals to ensure that any applicable license is in good standing and maintain a record of that audit;

(4) provide training to all referral agency employees whose job responsibilities require direct contact with a consumer, including training on the referral agency's code of conduct, before the employee begins performing those responsibilities;

(5) if a referral agency refers a consumer to a senior living community, notify the senior living community of the referral by a written physical or electronic document that includes the time and date of the referral, on or before the date the

consumer is admitted to the senior living community; and

(6) if a referral agency enters into a contract with a senior living community, specify in the contract the period within which the senior living community must pay the referral agency, not to exceed three years after the date the referral agency provided a consumer a referral to the senior living community.

Added by Acts 2025, 89th Leg., R.S., Ch. 497 (S.B. [1383](#)), Sec. 1, eff. June 20, 2025.

Sec. 121.005. COMPENSATION. (a) A written contract entered into between a referral agency and a senior living community may provide for the compensation of a referral agency for all referrals made with respect to a senior living community, and the amount of compensation may be based on the volume or value of referrals made by the referral agency or business generated between the parties.

(b) Notwithstanding any other law, compensation paid to a referral agency that is in compliance with this section is not grounds for disciplinary action against a senior living community.

(c) A referral agency may not offer or enter into a contract authorized under this section for compensation prohibited under 42 U.S.C. Section 1320a-7b or any other federal law or rule.

Added by Acts 2025, 89th Leg., R.S., Ch. 497 (S.B. [1383](#)), Sec. 1, eff. June 20, 2025.

Sec. 121.006. EFFECT OF LAW. This chapter does not:

(1) affect the application of any other law that regulates a senior living community; or

(2) abrogate any other defense, remedy, immunity, or privilege available under the Constitution of the United States or this state or as provided by any statute, case, or common law or rule.

Added by Acts 2025, 89th Leg., R.S., Ch. 497 (S.B. [1383](#)), Sec. 1, eff. June 20, 2025.