

By: Reynolds

H.B. No. 1719

A BILL TO BE ENTITLED

AN ACT

relating to a potential erosion notice to purchasers of real property in a commercial or residential development in certain counties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 5, Property Code, is amended by adding Section 5.0191 to read as follows:

Sec. 5.0191. POTENTIAL EROSION NOTICE IN CERTAIN COUNTIES.

(a) This section applies only to real property located in a county that:

(1) has a population of 585,000 or more; and

(2) is adjacent to a county with a population of four million or more.

(b) A seller of real property that is used or intended to be used for residential or commercial purposes and that is wholly or partly located within 500 feet of a river or an impoundment of water authorized under Chapter 11, Water Code, shall give to the purchaser of the property a written notice that reads substantially similar to the following:

NOTICE OF POTENTIAL EROSION

The property at (street address and city) or described by (legal description) is subject to potential erosion caused by a river or impoundment of water that may:

(1) damage the property or a building or structure

1 constructed on the property; or

2 (2) affect an area of the property that is available  
3 for development for residential or commercial use.

4 (c) The seller shall deliver the notice required under  
5 Subsection (b) to the purchaser before the effective date of an  
6 executory contract binding the purchaser to purchase the property.

7 (d) If an executory contract is entered into without the  
8 seller providing the notice required by this section, the purchaser  
9 may terminate the contract for any reason not later than the earlier  
10 of:

11 (1) the seventh day after the date the purchaser  
12 receives:

13 (A) the notice from the seller; or

14 (B) the information about the property described  
15 by the notice from any other person; or

16 (2) the date the transfer occurs as provided by the  
17 executory contract.

18 (e) After the date of the conveyance, the purchaser may  
19 bring an action for misrepresentation against the seller if the  
20 seller:

21 (1) failed to provide the notice before the date of the  
22 conveyance; and

23 (2) had actual knowledge that all or a portion of the  
24 property was:

25 (A) located wholly or partly within 500 feet of a  
26 river or an impoundment of water authorized under Chapter 11, Water  
27 Code; and

1                    (B) subject to potential erosion caused by the  
2 river or impoundment of water.

3            SECTION 2. Section 5.0191, Property Code, as added by this  
4 Act, applies only to a contract for the sale of real property  
5 entered into on or after the effective date of this Act.

6            SECTION 3. This Act takes effect September 1, 2021.