

By: Murr

H.B. No. 2424

A BILL TO BE ENTITLED

AN ACT

relating to the definition of homestead.

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

SECTION 1. Section 241.002, Property Code, is amended to read as follows:

Sec. 41.002. DEFINITION OF HOMESTEAD. (a) If used for the purposes of an urban home or as both an urban home and a place to exercise a calling or business, the homestead of a family or a single, adult person, not otherwise entitled to a homestead, shall consist of not more than 10 acres of land which may be in one or more contiguous lots, together with any improvements thereon.

(b) If used for the purposes of a rural home, the homestead shall consist of:

(1) for a family, not more than 200 acres, which may be in one or more parcels, with the improvements thereon; or

(2) for a single, adult person, not otherwise entitled to a homestead, not more than 100 acres, which may be in one or more parcels, with the improvements thereon.

(c) A homestead is considered to be urban if, at the time the designation is made, the property is:

(1) located within the limits of a municipality or its extraterritorial jurisdiction or a platted subdivision; and

(2) served by police protection, paid or volunteer fire protection, and at least three of the following services

1 provided by a municipality or under contract to a municipality:

- 2 (A) electric;
- 3 (B) natural gas;
- 4 (C) sewer;
- 5 (D) storm sewer; and
- 6 (E) water.

7 (d) The definition of a homestead as provided in this
8 section applies to all homesteads in this state whenever created.

9 (e) A conveyance of a parcel not meeting the definition of
10 an urban homestead under (a) and (c) by an individual to an entity
11 in which the individual or individual's spouse has a direct or
12 indirect ownership interest shall not be a prohibited pretended
13 sale under Article XVI, Section 50(c) of the Texas Constitution if:

14 (1) the deed conveying the parcel was recorded at
15 least 30 days before the entity granted a mortgage, trust deed, or
16 other lien on the parcel;

17 (2) the individual does not reside on the parcel at the
18 time of the conveyance;

19 (3) the parcel is not contiguous to the parcel on which
20 the individual resides;

21 (4) the deed conveying the parcel does not contain a
22 condition of defeasance; and

23 (5) the individual recorded contemporaneously with
24 the deed an affidavit substantially in the form set forth in (h).

25 (f) An individual executing a deed under (e) shall be
26 estopped from claiming the conveyance is a pretended sale under
27 Article XVI, Section 50(c) of the Texas Constitution.

1 (g) For the purposes of (e) an entity is defined as a
2 domestic or foreign:

3 (1) corporation, professional corporation, or
4 profession association;

5 (2) limited liability company or professional limited
6 liability company; or

7 (3) limited partnership.

8 (h) At the time of recording a deed under (e) an individual
9 grantor of the deed shall record an affidavit containing the
10 following:

11 (1) a title caption stating "Affidavit Regarding
12 Conveyance To An Entity";

13 (2) the date of the affidavit;

14 (3) a description of the deed containing:

15 (A) the title of the deed;

16 (B) the date of the deed;

17 (C) the name and address of the individual
18 grantor; and

19 (D) the name and address of the entity grantee.

20 (4) a description of the parcel being conveyed to the
21 entity;

22 (5) a description of the parcel upon which the
23 individual currently resides;

24 (6) a statement that the parcel being conveyed is not
25 contiguous to the parcel upon which the individual currently
26 resides;

27 (7) a statement that the parcel upon which the

1 individual currently resides is not located within the limits of a
2 municipality or its extraterritorial jurisdiction or a platted
3 subdivision; and is not served by police protection, paid or
4 volunteer fire protection, and at least three of the following
5 services provided by a municipality or under contract to a
6 municipality: electric, natural gas, sewer, storm sewer, and water;

7 (8) a statement that the individual is either a single
8 person or a married person with the name of the individual's spouse;

9 (9) a statement that the individual or individual's
10 spouse owns a direct or indirect interest in the entity;

11 (10) a statement that the individual has executed the
12 deed conveying the parcel to the entity;

13 (11) a statement that the individual intends to vest
14 title in the entity;

15 (12) a statement that there are no written or oral
16 agreements regarding a defeasance of the parcel upon the passage of
17 time or occurrence or non-occurrence of any event;

18 (13) a statement that the individual acknowledges that
19 he or she will be estopped from claiming the conveyance to the
20 entity is a pretended sale under Article XVI, Section 50(c) of the
21 Texas Constitution; and

22 (14) a statement that the individual had an
23 opportunity to review the affidavit prior to its execution and had
24 an opportunity to consult with an attorney (whether or not the
25 opportunity to consult with an attorney was exercised) before its
26 execution.

27 (i) If the individual conveying a parcel under (e) is

1 married, the individual's spouse must join in the execution of the
2 deed and Affidavit Regarding Conveyance To An Entity.

3 (j) All references to "parcel" include one or more parcels.

4 SECTION 2. This Act takes effect September 1, 2021.