

1-1 By: Holland, et al. (Senate Sponsor - Hughes) H.B. No. 697
 1-2 (In the Senate - Received from the House April 13, 2023;
 1-3 April 19, 2023, read first time and referred to Committee on
 1-4 Business & Commerce; May 10, 2023, reported adversely, with
 1-5 favorable Committee Substitute by the following vote: Yeas 11,
 1-6 Nays 0; May 10, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 697 By: King

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to seller's disclosures regarding fuel gas piping in
 1-24 residential real property.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 5.008(b), Property Code, is amended to
 1-27 read as follows:

1-28 (b) The notice must be executed and must, at a minimum, read
 1-29 substantially similar to the following:

1-30 SELLER'S DISCLOSURE NOTICE

1-31 CONCERNING THE PROPERTY AT _____

1-32 (Street Address and City)

1-33 THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF
 1-34 THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY
 1-35 SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR
 1-36 WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. IT IS NOT
 1-37 A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

1-38 Seller ___ is ___ is not occupying the Property.

1-39 If unoccupied, how long since Seller has occupied the Property?

1-40 _____

1-41 1. The Property has the items checked below:

1-42 Write Yes (Y), No (N), or Unknown (U).

- | | | | |
|------|--------------------|----------------------|------------------|
| 1-43 | | | |
| 1-44 | ___ Range | ___ Oven | ___ Microwave |
| 1-45 | ___ Dishwasher | ___ Trash Compactor | ___ Disposal |
| 1-46 | ___ Washer/Dryer | ___ Window | ___ Rain Gutters |
| 1-47 | ___ Hookups | ___ Screens | |
| 1-48 | ___ Security | ___ Fire Detection | ___ Intercom |
| 1-49 | ___ System | ___ Equipment | ___ System |
| 1-50 | | ___ Smoke Detector | |
| 1-51 | | ___ Smoke Detector - | |
| 1-52 | | ___ Hearing Impaired | |
| 1-53 | | ___ Carbon Monoxide | |
| 1-54 | | ___ Alarm | |
| 1-55 | | ___ Emergency Escape | |
| 1-56 | | ___ Ladder(s) | |
| 1-57 | ___ TV Antenna | ___ Cable TV | ___ Satellite |
| 1-58 | | ___ Wiring | ___ Dish |
| 1-59 | ___ Ceiling Fan(s) | ___ Attic Fan(s) | ___ Exhaust |

2-1 _____ Fan(s)
 2-2 Central A/C _____ Central Heating Wall/Window
 2-3 _____ Air
 2-4 _____ Conditioning
 2-5 Plumbing System _____ Septic System Public Sewer
 2-6 _____ System
 2-7 Patio/Decking _____ Outdoor Grill _____ Fences
 2-8 Pool _____ Sauna _____ Spa
 2-9 _____ Hot Tub
 2-10 Pool Equipment _____ Pool Heater _____ Automatic Lawn
 2-11 _____ Sprinkler
 2-12 _____ System
 2-13 Fireplace(s) & _____ Fireplace(s) &
 2-14 Chimney _____ Chimney
 2-15 (Woodburning) _____ (Mock)
 2-16 Natural Gas Lines _____ Gas Fixtures
 2-17 Liquid Propane Gas: _____ LP Community _____ LP on Property
 2-18 _____ (Captive)
 2-19 Fuel Gas Piping: _____ Black Iron Pipe _____ Corrugated
 2-20 _____ Copper _____ Stainless Steel
 2-21 _____ Tubing
 2-22 Garage: Attached _____ Not Attached _____ Carport
 2-23 Garage Door Opener(s): _____ Electronic _____ Control(s)
 2-24 Water Heater: _____ Gas _____ Electric
 2-25 Water Supply: City _____ Well MUD _____ Co-op
 2-26 Roof Type: _____ Age: _____ (approx)
 2-27 Are you (Seller) aware of any of the above items that are not in
 2-28 working condition, that have known defects, or that are in need of
 2-29 repair? Yes No Unknown.
 2-30 If yes, then describe. (Attach additional sheets if necessary):
 2-31 _____
 2-32 _____
 2-33 2. Does the property have working smoke detectors installed in
 2-34 accordance with the smoke detector requirements of Chapter 766,
 2-35 Health and Safety Code?* Yes No Unknown.
 2-36 If the answer to the question above is no or unknown,
 2-37 explain. (Attach additional sheets if necessary): _____
 2-38 _____
 2-39 _____
 2-40 *Chapter 766 of the Health and Safety Code requires
 2-41 one-family or two-family dwellings to have working smoke detectors
 2-42 installed in accordance with the requirements of the building code
 2-43 in effect in the area in which the dwelling is located, including
 2-44 performance, location, and power source requirements. If you do
 2-45 not know the building code requirements in effect in your area, you
 2-46 may check unknown above or contact your local building official for
 2-47 more information. A buyer may require a seller to install smoke
 2-48 detectors for the hearing impaired if: (1) the buyer or a member of
 2-49 the buyer's family who will reside in the dwelling is hearing
 2-50 impaired; (2) the buyer gives the seller written evidence of the
 2-51 hearing impairment from a licensed physician; and (3) within 10
 2-52 days after the effective date, the buyer makes a written request for
 2-53 the seller to install smoke detectors for the hearing impaired and
 2-54 specifies the locations for installation. The parties may agree
 2-55 who will bear the cost of installing the smoke detectors and which
 2-56 brand of smoke detectors to install.
 2-57 3. Are you (Seller) aware of any known defects/malfunctions in any
 2-58 of the following?
 2-59 Write Yes (Y) if you are aware, write No (N) if you are not aware.
 2-60 _____
 2-61 Interior Walls _____ Ceilings _____ Floors
 2-62 Exterior Walls _____ Doors _____ Windows
 2-63 Roof _____ Foundation/ _____ Basement
 2-64 _____ Slab(s)
 2-65 Walls/Fences _____ Driveways _____ Sidewalks
 2-66 Plumbing/Sewers/ _____ Electrical _____ Lighting
 2-67 Septics _____ Systems _____ Fixtures
 2-68 Other Structural Components (Describe): _____
 2-69 _____

- 3-1 _____
 3-2 If the answer to any of the above is yes, explain. (Attach
 3-3 additional sheets if necessary): _____
 3-4 _____
 3-5 _____
 3-6 4. Are you (Seller) aware of any of the following conditions?
 3-7 Write Yes (Y) if you are aware, write No (N) if you are not aware.
 3-8
 3-9 ___ Active Termites ___ Previous Structural
 3-10 (includes ___ or Roof Repair
 3-11 wood-destroying insects)
 3-12 ___ Termite or Wood Rot Damage ___ Hazardous or Toxic Waste
 3-13 Needing Repair
 3-14 ___ Previous Termite Damage ___ Asbestos Components
 3-15 ___ Previous Termite ___ Urea formaldehyde
 3-16 Treatment ___ Insulation
 3-17 ___ Radon Gas
 3-18 ___ Improper Drainage ___ Lead Based Paint
 3-19 ___ Water Damage Not Due to a ___ Aluminum Wiring
 3-20 Flood Event
 3-21 ___ Previous Fires
 3-22
 3-23 ___ Unplatted Easements
 3-24
 3-25 ___ Landfill, Settling, Soil ___ Subsurface
 3-26 Movement, Fault Lines ___ Structure or Pits
 3-27 ___ Single Blockable Main ___ Previous Use of Premises
 3-28 Drain in Pool/Hot ___ for Manufacture of
 3-29 Tub/Spa* ___ Methamphetamine
 3-30 If the answer to any of the above is yes, explain. (Attach
 3-31 additional sheets if necessary): _____
 3-32 _____
 3-33 _____
 3-34 *A single blockable main drain may cause a suction entrapment
 3-35 hazard for an individual.
 3-36 5. Are you (Seller) aware of any item, equipment, or system in or
 3-37 on the property that is in need of repair? ___ Yes (if you are
 3-38 aware) ___ No (if you are not aware). If yes, explain (attach
 3-39 additional sheets as necessary).
 3-40 _____
 3-41 6. Are you (Seller) aware of any of the following conditions?
 3-42 * Write Yes (Y) if you are aware, write No (N) if you are not aware.
 3-43 ___ Present flood insurance coverage
 3-44 ___ Previous flooding due to a failure or breach of a reservoir or a
 3-45 controlled or emergency release of water from a reservoir
 3-46 ___ Previous water penetration into a structure on the property due
 3-47 to a natural flood event
 3-48 Write Yes (Y) if you are aware and check wholly or partly as
 3-49 applicable, write No (N) if you are not aware.
 3-50 ___ Located () wholly () partly in a 100-year floodplain (Special
 3-51 Flood Hazard Area-Zone A, V, A99, AE, AO, AH, VE, or AR)
 3-52 ___ Located () wholly () partly in a 500-year floodplain (Moderate
 3-53 Flood Hazard Area-Zone X (shaded))
 3-54 ___ Located () wholly () partly in a floodway
 3-55 ___ Located () wholly () partly in a flood pool
 3-56 ___ Located () wholly () partly in a reservoir
 3-57 If the answer to any of the above is yes, explain (attach additional
 3-58 sheets as necessary): _____
 3-59 _____
 3-60 * For purposes of this notice:
 3-61 "100-year floodplain" means any area of land that:
 3-62 (A) is identified on the flood insurance rate map as a
 3-63 special flood hazard area, which is designated as Zone A, V, A99,
 3-64 AE, AO, AH, VE, or AR on the map;
 3-65 (B) has a one percent annual chance of flooding, which
 3-66 is considered to be a high risk of flooding; and
 3-67 (C) may include a regulatory floodway, flood pool, or

4-1 reservoir.
 4-2 "500-year floodplain" means any area of land that:
 4-3 (A) is identified on the flood insurance rate map as a
 4-4 moderate flood hazard area, which is designated on the map as Zone X
 4-5 (shaded); and
 4-6 (B) has a two-tenths of one percent annual chance of
 4-7 flooding, which is considered to be a moderate risk of flooding.
 4-8 "Flood pool" means the area adjacent to a reservoir that lies
 4-9 above the normal maximum operating level of the reservoir and that
 4-10 is subject to controlled inundation under the management of the
 4-11 United States Army Corps of Engineers.

4-12 "Flood insurance rate map" means the most recent flood hazard
 4-13 map published by the Federal Emergency Management Agency under the
 4-14 National Flood Insurance Act of 1968 (42 U.S.C. Section 4001 et
 4-15 seq.).

4-16 "Floodway" means an area that is identified on the flood
 4-17 insurance rate map as a regulatory floodway, which includes the
 4-18 channel of a river or other watercourse and the adjacent land areas
 4-19 that must be reserved for the discharge of a base flood, also
 4-20 referred to as a 100-year flood, without cumulatively increasing
 4-21 the water surface elevation more than a designated height.

4-22 "Reservoir" means a water impoundment project operated by the
 4-23 United States Army Corps of Engineers that is intended to retain
 4-24 water or delay the runoff of water in a designated surface area of
 4-25 land.

4-26 7. Have you (Seller) ever filed a claim for flood damage to the
 4-27 property with any insurance provider, including the National Flood
 4-28 Insurance Program (NFIP)?* Yes No. If yes, explain (attach
 4-29 additional sheets as necessary): _____
 4-30 _____

4-31 *Homes in high risk flood zones with mortgages from federally
 4-32 regulated or insured lenders are required to have flood
 4-33 insurance. Even when not required, the Federal Emergency
 4-34 Management Agency (FEMA) encourages homeowners in high risk,
 4-35 moderate risk, and low risk flood zones to purchase flood insurance
 4-36 that covers the structure(s) and the personal property within the
 4-37 structure(s).

4-38 8. Have you (Seller) ever received assistance from FEMA or the
 4-39 U.S. Small Business Administration (SBA) for flood damage to the
 4-40 property? Yes No. If yes, explain (attach additional sheets
 4-41 as necessary): _____
 4-42 _____

4-43 9. Are you (Seller) aware of any of the following?
 4-44 Write Yes (Y) if you are aware, write No (N) if you are not aware.

- 4-45 Room additions, structural modifications, or other
- 4-46 alterations or repairs made without necessary permits or not
- 4-47 in compliance with building codes in effect at that time.
- 4-48 Homeowners' Association or maintenance fees or assessments.
- 4-49 Any "common area" (facilities such as pools, tennis courts,
- 4-50 walkways, or other areas) co-owned in undivided interest with
- 4-51 others.
- 4-52 Any notices of violations of deed restrictions or
- 4-53 governmental ordinances affecting the condition or use of the
- 4-54 Property.
- 4-55 Any lawsuits directly or indirectly affecting the Property.
- 4-56 Any condition on the Property which materially affects the
- 4-57 physical health or safety of an individual.
- 4-58 Any rainwater harvesting system located on the property that
- 4-59 is larger than 500 gallons and that uses a public water supply
- 4-60 as an auxiliary water source.
- 4-61 Any portion of the property that is located in a groundwater
- 4-62 conservation district or a subsidence district.

4-63 If the answer to any of the above is yes, explain. (Attach
 4-64 additional sheets if necessary): _____
 4-65 _____
 4-66 _____

4-67 10. If the property is located in a coastal area that is seaward of
 4-68 the Gulf Intracoastal Waterway or within 1,000 feet of the mean high
 4-69

5-1 tide bordering the Gulf of Mexico, the property may be subject to
5-2 the Open Beaches Act or the Dune Protection Act (Chapter 61 or 63,
5-3 Natural Resources Code, respectively) and a beachfront
5-4 construction certificate or dune protection permit may be required
5-5 for repairs or improvements. Contact the local government with
5-6 ordinance authority over construction adjacent to public beaches
5-7 for more information.

5-8 11. This property may be located near a military installation and
5-9 may be affected by high noise or air installation compatible use
5-10 zones or other operations. Information relating to high noise and
5-11 compatible use zones is available in the most recent Air
5-12 Installation Compatible Use Zone Study or Joint Land Use Study
5-13 prepared for a military installation and may be accessed on the
5-14 Internet website of the military installation and of the county and
5-15 any municipality in which the military installation is located.

5-16 _____
5-17 Date Signature of Seller
5-18 The undersigned purchaser hereby acknowledges receipt of the
5-19 foregoing notice.

5-20 _____
5-21 Date Signature of Purchaser

5-22 SECTION 2. Section 5.008(b), Property Code, as amended by
5-23 this Act, applies only to a transfer of property that occurs on or
5-24 after the effective date of this Act. A transfer of property that
5-25 occurs before the effective date of this Act is governed by the law
5-26 applicable to the transfer immediately before that date, and the
5-27 former law is continued in effect for that purpose. For the
5-28 purposes of this section, a transfer of property occurs before the
5-29 effective date of this Act if the contract binding the purchaser to
5-30 purchase the property is executed before that date.

5-31 SECTION 3. This Act takes effect September 1, 2023.

5-32 * * * * *