

By: Lozano

H.B. No. 3844

A BILL TO BE ENTITLED

1 AN ACT

2 relating to certain procedural requirements for public improvement
3 districts and transfers of property located in public improvement
4 districts.

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

6 SECTION 1. Section 372.003, Local Government Code, is
7 amended by amending Subsections (b) and (d) and adding Subsection
8 (b-2) to read as follows:

9 (b) A public improvement project may include:

10 (1) landscaping;

11 (2) erection of fountains, distinctive lighting, and
12 signs;

13 (3) acquiring, constructing, improving, widening,
14 narrowing, closing, or rerouting of sidewalks or of streets, any
15 other roadways, or their rights-of-way;

16 (4) construction or improvement of pedestrian malls;

17 (5) acquisition and installation of pieces of art;

18 (6) acquisition, construction, or improvement of
19 libraries;

20 (7) acquisition, construction, or improvement of
21 off-street parking facilities;

22 (8) acquisition, construction, improvement, or
23 rerouting of mass transportation facilities;

24 (9) acquisition, construction, or improvement of

1 publicly owned water, wastewater, natural gas, electric, canal, or
2 drainage facilities or improvements;

3 (10) the establishment or improvement of parks;

4 (11) projects similar to those listed in Subdivisions
5 (1)-(10);

6 (12) acquisition, by purchase or otherwise, of real
7 property in connection with an authorized improvement;

8 (13) special supplemental services for improvement
9 and promotion of the district, and for repair and maintenance of
10 those special supplemental services, including services relating
11 to advertising, promotion, health and sanitation, water and
12 wastewater, roadways and sidewalks, public safety, security,
13 business recruitment, development, recreation, and cultural
14 enhancement;

15 (14) payment of expenses incurred in the
16 establishment, administration, and operation of the district,
17 including payment of costs associated with the issuance of bonds
18 under this chapter; and

19 (15) the development, rehabilitation, or expansion of
20 affordable housing.

21 (b-2) A public improvement project is not subject to the
22 bidding or procurement requirements of Chapter 2252 or 2269,
23 Government Code, if at least one-third of the cost of the
24 improvement is or will be paid or secured by:

25 (1) a special assessment levied on property located
26 inside the public improvement district;

27 (2) a developer of land located inside the public

1 improvement district; or

2 (3) a combination of special assessments described by
3 Subdivision (1) and developer commitments described by Subdivision
4 (2).

5 (d) A county may establish a public improvement district
6 unless within 30 days of a county's action to approve such a
7 district the governing body of~~[r]~~ a home rule municipality by
8 resolution:

9 (1) objects to the ~~[its]~~ establishment of the public
10 improvement district within the municipality's corporate limits or
11 extraterritorial jurisdiction; and

12 (2) gives notice to the county of the municipality's
13 objection to the establishment of the public improvement district
14 and the reasons for the objection.

15 SECTION 2. Section 372.005, Local Government Code, is
16 amended by adding Subsections (a-1) and (d) to read as follows:

17 (a-1) The boundaries of a proposed public improvement
18 district described in a petition under this section may include
19 parcels of land that would be contiguous to each other but for
20 separation caused by a natural geographic feature or an existing
21 roadway, easement, or right-of-way that renders the parcels
22 noncontiguous.

23 (d) Notwithstanding any other provision of this chapter, a
24 statement of the estimated cost of an improvement in a petition
25 under this section does not limit:

26 (1) the actual cost of an improvement payable by the
27 municipality or county from an assessment levied against property

1 in an improvement district; or

2 (2) the amount of an assessment that may be levied
3 against property in an improvement district by the governing body
4 of a municipality or county on a determination of the cost of an
5 improvement and the amount of an assessment in a service plan and
6 assessment plan.

7 SECTION 3. Section 372.009, Local Government Code, is
8 amended by amending Subsection (d) and adding Subsections (e), (f),
9 and (g) to read as follows:

10 (d) Except as provided by Subsection (e), written ~~Written~~
11 notice containing the information required by Subsection (c) must
12 be mailed before the 15th day before the date of the hearing. The
13 notice must be addressed to "Property Owner" and mailed to the
14 current address of the owner, as reflected on tax rolls, of property
15 subject to assessment under the proposed public improvement
16 district.

17 (e) A property owner may waive the right to notice under
18 this section if the property owner provides to the municipality or
19 county a written waiver of notice signed by the property owner.

20 (f) The notice required by this section may describe the
21 boundaries of the proposed assessment district by reference to
22 existing streets and roadways and state that a metes and bounds
23 description or legal description with tax parcel identification
24 numbers of the parcels of property located within the boundaries is
25 on file and available for inspection with the municipality or
26 county.

27 (g) Notwithstanding any other provision of this chapter, a

1 statement of the estimated cost of an improvement in a notice given
2 by a municipality or county under this section does not limit the
3 authority of the governing body of a municipality or county to levy
4 an assessment that is:

5 (1) based on the actual cost of an improvement as
6 determined by the governing body; and

7 (2) less than or greater than the amount of the
8 estimated cost stated in the notice.

9 SECTION 4. Sections 372.010(b) and (c), Local Government
10 Code, are amended to read as follows:

11 (b) Not later than the 15th business ~~[seventh]~~ day after the
12 date the governing body of a municipality or county adopts a
13 resolution under Subsection (a), the municipality or county shall
14 record ~~[file]~~ a copy of the resolution in the real property records
15 ~~[with the county clerk]~~ of each county in which all or part of the
16 improvement district is located. Failure to timely record the
17 resolution under this section does not invalidate the establishment
18 of the public improvement district.

19 (c) If not later than ~~[Actual construction of an improvement~~
20 ~~may not begin until after]~~ the 20th day after the date the governing
21 body of the municipality or county adopts a resolution under
22 Subsection (a), the municipal or county secretary or other officer
23 performing the duties of the municipal or county secretary receives
24 ~~[authorization takes effect and may not begin if during that 20-day~~
25 ~~period]~~ written protests signed by at least two-thirds of the
26 owners of record of property within the improvement district or by
27 the owners of record of property comprising at least two-thirds of

1 the total area of the district, the governing body of the
2 municipality or county may convene to determine the sufficiency of
3 the protest and whether to dissolve the district under Section
4 372.011 [~~are filed with the municipal or county secretary or other~~
5 ~~officer performing the duties of the municipal or county~~
6 ~~secretary~~]. A person whose name appears on a protest may withdraw
7 the name from the protest at any time before the governing body of
8 the municipality or county convenes to determine the sufficiency of
9 the protest.

10 SECTION 5. Section 372.012, Local Government Code, is
11 amended to read as follows:

12 Sec. 372.012. AREA OF DISTRICT. (a) The area of a public
13 improvement district to be assessed according to the findings of
14 the governing body of the municipality or county may be less than
15 the area described in the proposed boundaries stated by the notice
16 under Section 372.009. The area to be assessed may not include
17 property not described by the notice as being within the proposed
18 boundaries of the district unless a hearing is held to include the
19 property and notice for the hearing is given in the same manner as
20 notice under Section 372.009.

21 (b) The area of a public improvement district may consist of
22 noncontiguous tracts of land, including parcels of land that would
23 be contiguous to each other but for separation caused by a natural
24 geographic feature or an existing roadway, easement, or
25 right-of-way, provided the public improvement projects and
26 services to be implemented and the costs of the projects and
27 services may be apportioned under Section 372.015.

1 (c) Property included within one public improvement
2 district may be included, wholly or partly, within the boundaries
3 of another public improvement district. Nothing in this chapter may
4 be construed to prohibit the establishment of more than one public
5 improvement district covering the same geographic area.

6 SECTION 6. Section 372.013, Local Government Code, is
7 amended by amending Subsections (a), (c), (d), and (e) and adding
8 Subsection (f) to read as follows:

9 (a) The advisory body shall prepare an ongoing service plan
10 and present the plan to the governing body of the municipality or
11 county for review and approval. The service plan may cover the
12 entire improvement district or be limited to a specific area or
13 areas within the district. The governing body may approve the plan
14 only by ordinance or order. The governing body may assign
15 responsibility for the plan to another entity in the absence of an
16 advisory body.

17 (c) Not later than the seventh day after the date the
18 governing body of a municipality or county approves a service plan,
19 the municipality or county shall record [~~file~~] a copy of the plan in
20 the real property records [~~with the county clerk~~] of each county in
21 which all or part of the public improvement district is located.
22 Failure to timely record the service plan does not invalidate the
23 approval of the plan or levy of assessments.

24 (d) The governing body of the municipality or county shall
25 review and update the service plan annually for the purpose of
26 determining the annual budget for improvements and updating the
27 estimated cost of improvements. Except for the service plan for a

1 district described by Section 372.0035, the governing body may
2 amend or update the plan only by ordinance or order.

3 (e) Not later than the 15th business [~~seventh~~] day after the
4 date the governing body of a municipality or county amends or
5 updates the service plan, including the notice form required by
6 Section 5.014, Property Code, the municipality or county shall
7 record notice [~~file a copy~~] of the amended or updated plan in the
8 real property records [~~with the county clerk~~] of each county in
9 which all or part of the public improvement district is located. The
10 notice must explain how to obtain a complete copy of the amended or
11 updated service plan from the municipality or county. Failure to
12 timely record notice of the amended or updated service plan does not
13 invalidate the approval of the amended or updated plan.

14 (f) If the governing body of a municipality or county amends
15 or updates the service plan in connection with the levy of an
16 assessment, the municipality or county shall, not later than the
17 15th business day after the date the governing body of the
18 municipality or county amends or updates the service plan for the
19 levy of the assessment, record a copy of the amended or updated plan
20 in the real property records of each county in which all or part of
21 the public improvement district is located. Failure to timely
22 record the amended or updated service plan does not invalidate the
23 approval of the amended or updated plan.

24 SECTION 7. Sections 372.014(a) and (b), Local Government
25 Code, are amended to read as follows:

26 (a) An assessment plan must be included in the annual
27 service plan. The assessment plan may cover the entire improvement

1 district or be limited to a specific area or areas within the
2 district.

3 (b) The municipality or county is responsible for payment of
4 assessments against exempt municipal or county property in the
5 district if assessments are levied on exempt municipal or county
6 property in the district. The municipality or county may designate
7 an alternative means of financing the share of costs allocable to
8 municipal or county property other than by assessment in an
9 assessment plan. Payment of assessments by other exempt
10 jurisdictions must be established by contract. [~~An assessment
11 paid by the municipality or county under this subsection is
12 considered to have been paid by special assessment for the purposes
13 of Subsection (a).~~]

14 SECTION 8. Section [372.015](#), Local Government Code, is
15 amended by adding Subsections (e) and (f) to read as follows:

16 (e) If an improvement confers a special benefit on the
17 entire improvement district as a whole, the governing body of a
18 municipality or county may:

19 (1) assess the cost of the improvement against
20 property in the entire district in a single assessment; or

21 (2) apportion the cost of the improvement to be
22 assessed against property located in a specific area within the
23 district with separate assessments.

24 (f) The governing body of a municipality or county shall
25 include apportionment of the cost of an improvement under
26 Subsection (a) in an updated assessment plan approved under Section
27 [372.013\(d\)](#).

1 SECTION 9. Section 372.016, Local Government Code, is
2 amended by amending Subsection (c) and adding Subsections (d) and
3 (e) to read as follows:

4 (c) Except as provided by Subsection (d), when ~~[when]~~ the
5 assessment roll is filed under Subsection (b), the municipal
6 secretary or other officer shall mail to the owners of property
7 liable for assessment a notice of the hearing. The notice must
8 contain the information required by Subsection (b) and the
9 secretary or other officer shall mail the notice to the last known
10 address of the property owner. The failure of a property owner to
11 receive notice does not invalidate the proceeding.

12 (d) A property owner may waive the right to notice under
13 this section if the property owner provides to the municipality or
14 county a written waiver of notice signed by the property owner.

15 (e) If a proposed assessment roll to be considered by the
16 governing body of a municipality or county at a public hearing
17 includes an updated assessment against property owned by a property
18 owner who has waived notice of the hearing under this section, the
19 governing body of the municipality or county may include for public
20 inspection the updated proposed assessment roll in the posted
21 agenda for the hearing.

22 SECTION 10. Section 372.017, Local Government Code, is
23 amended by amending Subsections (a) and (b) and adding Subsection
24 (c) to read as follows:

25 (a) At or on the adjournment of the hearing referred to by
26 Section 372.016 on proposed assessments, the governing body of the
27 municipality or county must hear and pass on any objection to a

1 proposed assessment. [~~The governing body may amend a proposed~~
2 ~~assessment on any parcel.~~]

3 (b) After all objections have been heard and the governing
4 body has passed on the objections, the governing body by ordinance
5 or order shall levy the assessment as a special assessment on the
6 property. The governing body by ordinance or order shall specify
7 the method of payment of the assessment. The governing body may
8 defer the collection of an assessment until a date specified by the
9 governing body [~~specifies~~] in the ordinance or order that is not
10 later than the second anniversary of the date the governing body
11 approves the ordinance or order levying the assessment. The
12 governing body may provide that assessments be paid in periodic
13 installments, at an interest rate and for a period approved by the
14 governing body. The provision that assessments be paid in periodic
15 installments may, but is not required to, result in level annual
16 installment payments. The installments must be in amounts
17 necessary to meet annual costs for improvements and must continue
18 for:

19 (1) the period necessary to retire the indebtedness on
20 the improvements; or

21 (2) the period approved by the governing body for the
22 payment of the installments.

23 (c) Notwithstanding the approval by the governing body of a
24 municipality or county of a deferred date for collection of an
25 assessment under Subsection (b), the assessment lien is effective
26 from the date of the ordinance or order levying the assessment until
27 the assessment is paid or otherwise released.

1 SECTION 11. Section 372.019, Local Government Code, is
2 amended to read as follows:

3 Sec. 372.019. SUPPLEMENTAL OR ADDITIONAL ASSESSMENTS.

4 After notice and a hearing, the governing body of the municipality
5 or county may make supplemental or additional assessments for
6 additional authorized improvements, to pay increased costs, or to
7 correct omissions or mistakes in the assessment relating to the
8 total cost of the improvement. Notice must be given and the
9 hearing held under this section in the same manner as required by
10 Sections 372.009, 372.016, and 372.017.

11 SECTION 12. Section 372.020, Local Government Code, is
12 amended to read as follows:

13 Sec. 372.020. REASSESSMENT. The governing body of the
14 municipality or county may release an assessment and make a
15 reassessment or new assessment of a parcel of land if:

16 (1) a court of competent jurisdiction sets aside an
17 assessment against the parcel;

18 (2) the governing body determines that the original
19 assessment is or will be excessive; or

20 (3) on the written advice of counsel, the governing
21 body determines that the original assessment is invalid.

22 SECTION 13. Section 372.021(b), Local Government Code, is
23 amended to read as follows:

24 (b) The municipality or county annually may levy an
25 assessment [~~a tax~~] to support the fund.

26 SECTION 14. Section 372.023, Local Government Code, is
27 amended by adding Subsections (a-2), (d-2), (i), and (j) and

1 amending Subsections (d-1) and (h) to read as follows:

2 (a-2) If the governing body of a municipality or county has
3 authorized an entity to receive a benefit under Subsection
4 (a)(3)(B), the municipality or county may pay the costs of
5 improvements provided to or for the benefit of the entity by the
6 methods provided in this chapter without executing an interlocal
7 agreement under Chapter 791, Government Code.

8 (d-1) An installment sales contract, reimbursement
9 agreement, temporary note, or time warrant described by Subsection
10 (d):

11 (1) may be secured by and paid from a special
12 assessment or the proceeds of special assessment revenue bonds; and

13 (2) may be assigned by the payee without the consent of
14 the municipality or county.

15 (d-2) An assignment by the payee of an installment sales
16 contract, reimbursement agreement, temporary note, or time warrant
17 in part under this section must assign in whole the amounts levied
18 by an assessment.

19 (h) The costs of any improvement include interest payable on
20 a temporary note, reimbursement agreement, or time warrant and all
21 costs incurred in connection with the issuance of bonds under
22 Section 372.024 and may be included in the assessments against the
23 property in the improvement district as provided by this
24 subchapter.

25 (i) A municipality or county that enters into a
26 reimbursement agreement under this section may levy an assessment
27 for the projected cost to issue bonds under this chapter, including

1 reserve funds and capitalized interest, to finance:

2 (1) a construction or reimbursement obligation of the
3 issuer; or

4 (2) improvements and costs contemplated by the
5 reimbursement agreement that are included in the annual service
6 plan and assessment plan approved by the governing body of the
7 municipality or county at the time the governing body levies an
8 assessment in connection with the reimbursement agreement.

9 (j) If the governing body of a municipality or county levies
10 an assessment for the projected cost to issue bonds under
11 Subsection (i), and the bonds are not issued before the 180th day
12 after the date the improvements for which the assessment was levied
13 are completed and accepted, the governing body shall update the
14 assessment plan to reduce the assessment relating to the projected
15 cost to issue the bonds.

16 SECTION 15. Section 372.027(a), Local Government Code, is
17 amended to read as follows:

18 (a) Revenue bonds issued under this subchapter may be
19 refunded or refinanced by the issuance of refunding bonds, under
20 terms or conditions set forth in ordinances or orders of the
21 municipality or county issuing the bonds, and as otherwise
22 authorized by law. The provisions of this subchapter applying
23 generally to revenue bonds, including provisions related to the
24 issuance of those bonds, apply to refunding bonds authorized by
25 this section. The refunding bonds may be sold and delivered in
26 amounts necessary for the principal, interest, and any redemption
27 premium of the bonds to be refunded, on the date of the maturity of

1 the bond or any redemption date of the bond.

2 SECTION 16. Section 372.041(a), Local Government Code, is
3 amended to read as follows:

4 (a) A home-rule municipality may create improvement
5 districts for the purposes of:

6 (1) levying, straightening, widening, enclosing, or
7 otherwise improving a river, canal, creek, bayou, stream, other
8 body of water, street, or alley;

9 (2) draining, grading, filling, and otherwise
10 protecting and improving the territory within the municipality's
11 limits;

12 (3) issuing bonds to finance improvements listed in
13 this subsection; and

14 (4) financing an improvement described in Subchapter
15 A.

16 SECTION 17. Section 372.152, Local Government Code, is
17 transferred to Subchapter A, Chapter 372, Local Government Code,
18 redesignated as Section 372.0241, Local Government Code, and
19 amended to read as follows:

20 Sec. 372.0241 [~~372.152~~]. ISSUANCE OF BONDS TO REIMBURSE
21 ACQUIRED PUBLIC IMPROVEMENTS. (a) The governing body of a
22 municipality or county may issue and sell general obligation bonds
23 or revenue bonds to reimburse a developer for the cost of a public
24 improvement if:

25 (1) the public improvement is located in a public
26 improvement district created on or after January 1, 2005;

27 (2) the public improvement has been dedicated to and

1 accepted by the municipality or county; and

2 (3) before the public improvement was dedicated to and
3 accepted by the municipality or county, the governing body of the
4 municipality or county entered into an agreement with the developer
5 to pay for the public improvement.

6 (b) General obligation bonds or revenue bonds issued under
7 this section [~~subchapter~~] must comply with the provisions relating
8 to general obligation bonds or revenue bonds issued under this
9 subchapter [~~Subchapter A~~].

10 (c) The governing body of a municipality or county and a
11 landowner or developer may enter into an agreement under Subsection
12 (a)(3) only if the agreement allows for the municipality or county
13 to pay for the public improvement only through assessments
14 collected by the intended improvement district.

15 SECTION 18. Sections 5.014(a-1) and (a-2), Property Code,
16 are amended to read as follows:

17 (a-1) Except for the notice prescribed by Subsection (a-2),
18 the notice required by Subsection (a) shall be executed by the
19 seller and must, except as provided by Subsection (b), read as
20 follows:

21 NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
22 (insert name of municipality or county levying assessment), TEXAS
23 CONCERNING THE FOLLOWING PROPERTY
24 (insert property address)

25 As the purchaser of the real property described above, you
26 are obligated to pay assessments to (insert name of municipality or
27 county, as applicable), Texas, for the costs of a portion of a

1 public improvement or services project (the "Authorized
2 Improvements") undertaken for the benefit of the property within
3 (insert name of public improvement district) (the "District")
4 created under (insert Subchapter A, Chapter 372, Local Government
5 Code, or Chapter 382, Local Government Code, as applicable).

6 AN ASSESSMENT HAS BEEN OR MAY BE LEVIED AGAINST YOUR PROPERTY
7 FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY
8 TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND
9 PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR
10 DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS,
11 ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

12 The exact amount of the assessment may be obtained from
13 (insert name of municipality or county, as applicable). The exact
14 amount of each annual installment will be approved each year by
15 (insert name of city council or county commissioners court, as
16 applicable) in the annual service plan update for the district.
17 More information about the assessments, including the amounts and
18 due dates, may be obtained from (insert name of municipality or
19 county, as applicable).

20 Your failure to pay any assessment or any annual installment
21 may result in penalties and interest being added to what you owe or
22 in a lien on and the foreclosure of your property.

23 The undersigned purchaser acknowledges receipt of this
24 notice on or before the effective date of a binding contract for the
25 purchase of the real property at the address described above.

26 Date: _____

27 Signature of Purchaser

1 (a-2) For a district described by Section 372.0035, Local
2 Government Code, the notice required by Subsection (a) shall be
3 executed by the seller and must, except as provided by Subsection
4 (b), read as follows:

5 NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
6 (insert name of municipality levying assessment), TEXAS
7 CONCERNING THE FOLLOWING HOTEL PROPERTY
8 (insert property address)

9 As the purchaser of the real property described above, you
10 are obligated to pay assessments to (insert name of municipality),
11 Texas, for the costs of a portion of a public improvement or
12 services project (the "Authorized Services") undertaken for the
13 benefit of the property within (insert name of public improvement
14 district) (the "District") created under Subchapter A, Chapter 372,
15 Local Government Code.

16 AN ASSESSMENT HAS BEEN OR MAY BE LEVIED AGAINST YOUR PROPERTY
17 FOR THE AUTHORIZED SERVICES, WHICH MUST BE PAID IN FULL WITH EVERY
18 PAYMENT BY THE HOTEL OF LOCAL HOTEL OCCUPANCY TAX REMITTANCES TO THE
19 MUNICIPALITY. YOUR FAILURE TO PAY THE ASSESSMENT MAY RESULT IN
20 PENALTIES AND INTEREST BEING ADDED TO WHAT YOU OWE, AND MAY INCLUDE
21 THE PURSUIT OF ANY OTHER REMEDY THAT IS AUTHORIZED UNDER SECTION
22 372.0035(d), LOCAL GOVERNMENT CODE.

23 Information about the calculation of the assessment may be
24 obtained from (insert name of the municipality). The exact
25 assessment rate will be approved each year by (insert name of city
26 council) in the annual service plan update for the district. More
27 information about the assessments, including the assessment rate

1 and due dates, may be obtained from (insert name of municipality).

2 The undersigned purchaser acknowledges receipt of this
3 notice on or before the effective date of a binding contract for the
4 purchase of the real property at the address described above.

5 Date: _____

6 Signature of Purchaser

7 SECTION 19. The heading to Section 5.0141, Property Code,
8 is amended to read as follows:

9 Sec. 5.0141. NOTICE REQUIRED AT OR BEFORE CONTRACT
10 EXECUTION.

11 SECTION 20. Sections 5.0141(a), (c), and (d), Property
12 Code, are amended to read as follows:

13 (a) The notice required by Section 5.014 shall be given to
14 the prospective purchaser at or before the execution of a binding
15 contract of purchase and sale, either separately or as an addendum
16 or paragraph of a purchase contract.

17 (c) If, however, the seller furnishes the notice at or
18 before closing the purchase and sale contract and the purchaser
19 elects to sign the notice [~~close~~] even though the notice was not
20 timely furnished at or before execution of the contract, it shall be
21 conclusively presumed that the purchaser has waived all rights to
22 terminate the contract under Subsection (b) or recover damages or
23 other remedies or rights under Section 5.0145.

24 (d) Notwithstanding any provision of this section, Section
25 5.014, 5.0142, 5.0143, 5.0144, or 5.0145, all sellers, title
26 companies, real estate brokers, and examining attorneys, and any
27 agent, representative, or person acting on their behalf, are not

1 liable for damages under Section 5.0145, or for any other damages to
2 any person, for:

3 (1) failing to provide the notice to a purchaser
4 before execution of a binding contract of purchase and sale or at or
5 before the closing of the purchase and sale contract when the
6 municipality or county has not recorded [~~filed~~] the service plan as
7 required by Section 372.013, Local Government Code; or

8 (2) unintentionally providing a notice that is not the
9 correct notice under the circumstances before execution of a
10 binding contract of purchase and sale, or at or before the closing
11 of the purchase and sale contract.

12 SECTION 21. Section 5.0143, Property Code, is amended to
13 read as follows:

14 Sec. 5.0143. RECORDING OF NOTICE AT CLOSING. (a) At the
15 closing of purchase and sale, a separate copy of the notice required
16 by Section 5.014 with current information shall be executed by the
17 seller and purchaser, acknowledged, and recorded in the deed
18 records of the county in which the property is located.

19 (b) The content of the notice recorded under this section
20 may be the same as the content of the notice given under Section
21 5.0141 regardless of whether the amount of assessment levied
22 against the property has changed since the time that notice was
23 given to the purchaser.

24 SECTION 22. Section 5.0144, Property Code, is amended to
25 read as follows:

26 Sec. 5.0144. RELIANCE ON RECORDED [~~FILED~~] SERVICE
27 PLAN. (a) For the purposes of the notice required by Section

1 5.014, all sellers, title companies, real estate brokers, and
2 examining attorneys, and any agent, representative, or person
3 acting on their behalf, are entitled to rely on the accuracy of the
4 service plan as last recorded [~~filed~~] by each municipality or
5 county under Section 372.013, Local Government Code, in completing
6 the notice form to be executed by the seller and purchaser at the
7 closing of purchase and sale.

8 (b) Any information taken from the service plan as last
9 recorded [~~filed~~] by the municipality or county and the information
10 contained in or shown on the notice form contained in the service
11 plan under Section 372.013, Local Government Code, not including
12 information provided as to the assessments or annual installment
13 amounts as authorized by Section 5.014(b), shall be, for purposes
14 of the notice required by Section 5.014, conclusively presumed as a
15 matter of law to be correct.

16 (c) All subsequent sellers, purchasers, title insurance
17 companies, real estate brokers, examining attorneys, and
18 lienholders are entitled to rely on the service plan recorded
19 [~~filed~~] by the municipality or county, including the notice form
20 contained in the service plan, under Section 372.013, Local
21 Government Code.

22 (d) If the notice required by Section 5.014 is given at
23 closing as provided by Section 5.0141(c), a purchaser, or the
24 purchaser's heirs, successors, or assigns, are not entitled to
25 maintain an action for damages against a seller, title insurance
26 company, real estate broker, or lienholder, or any agent,
27 representative, or person acting on their behalf, because the

1 seller:

2 (1) used the notice form included in the service plan
3 recorded [~~filed~~] by the municipality or county under Section
4 372.013, Local Government Code; or

5 (2) relied on a legal description [~~the filed~~] of the
6 public improvement district included in the service plan recorded
7 by the municipality or county under Section 372.013, Local
8 Government Code, in determining whether the property is located in
9 the district.

10 (e) No action may be maintained against any title company
11 for failure to disclose the inclusion of the property in a public
12 improvement district when the municipality or county has not
13 recorded [~~filed~~] the service plan under Section 372.013, Local
14 Government Code, in the real property records [~~with the clerk~~] of
15 each county in which the district is located.

16 (f) All sellers, title insurance companies, examining
17 attorneys, vendors of property and tax information, real estate
18 brokers, and lienholders, and any agent, representative, or person
19 acting on their behalf, are entitled to rely on the accuracy of:

20 (1) the service plan last recorded [~~filed~~] by the
21 municipality or county or the information in the notice form
22 recorded [~~filed~~] by the district under Section 372.013, Local
23 Government Code; or

24 (2) for the purposes of the notice required by Section
25 5.014, the information in the service plan recorded [~~filed~~] by the
26 municipality or county in effect as of January 1 of each year for
27 the period January 1 through December 31 of such calendar year.

1 SECTION 23. Section 372.151, Local Government Code, is
2 repealed.

3 SECTION 24. Section 372.009(d), Local Government Code, as
4 amended by this Act, applies only to a hearing under Section
5 372.009, Local Government Code, on or after the effective date of
6 this Act.

7 SECTION 25. Sections 372.010(b) and (c), Local Government
8 Code, as amended by this Act, apply only to a resolution adopted
9 under Section 372.010, Local Government Code, on or after the
10 effective date of this Act. A resolution adopted before the
11 effective date of this Act is governed by the law in effect on the
12 date the resolution was adopted, and the former law is continued in
13 effect for that purpose.

14 SECTION 26. Sections 372.013(a) and (c), Local Government
15 Code, as amended by this Act, apply only to a service plan approved
16 under that section on or after the effective date of this Act. A
17 service plan approved before the effective date of this Act is
18 governed by the law in effect on the date the service plan was
19 approved, and the former law is continued in effect for that
20 purpose.

21 SECTION 27. Section 372.013, Local Government Code, as
22 amended by this Act, applies only to a service plan amended or
23 updated under that section on or after the effective date of this
24 Act.

25 SECTION 28. Sections 372.014(a) and (b), Local Government
26 Code, as amended by this Act, and Sections 372.015(e) and (f), Local
27 Government Code, as added by this Act, apply only to an assessment

1 plan included in a service plan approved under Section 372.013,
2 Local Government Code, as amended by this Act, on or after the
3 effective date of this Act. An assessment plan included in a
4 service plan approved before the effective date of this Act is
5 governed by the law in effect on the date the service plan was
6 approved, and the former law is continued in effect for that
7 purpose.

8 SECTION 29. Sections 372.015(e) and (f), Local Government
9 Code, as added by this Act, apply only to an assessment
10 determination made on or after the effective date of this Act.

11 SECTION 30. Section 372.016, Local Government Code, as
12 amended by this Act, applies only to notice given under Section
13 372.016, Local Government Code, on or after the effective date of
14 this Act.

15 SECTION 31. Sections 372.017 and 372.019, Local Government
16 Code, as amended by this Act, apply only to the levy of an
17 assessment made on or after the effective date of this Act.

18 SECTION 32. Section 372.023, Local Government Code, as
19 amended by this Act, applies only to the payment of costs made on or
20 after the effective date of this Act.

21 SECTION 33. Sections 5.014, 5.0141, 5.0143, and 5.0144,
22 Property Code, as amended by this Act, apply only to a sale or
23 conveyance of property for which a binding contract is executed on
24 or after the effective date of this Act. A sale or conveyance for
25 which a binding contract is executed before the effective date of
26 this Act is governed by the law in effect on the date the contract is
27 executed, and the former law is continued in effect for that

1 purpose.

2 SECTION 34. This Act takes effect September 1, 2023.