

By: Lozano

H.B. No. 4617

A BILL TO BE ENTITLED

AN ACT

relating to requiring the seller of unimproved real property to disclose if the property is in a floodplain.

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

SECTION 1. Subchapter A, Chapter 5, Property Code, is amended by adding Section 5.0131 to read as follows:

Sec. 5.0131. SELLER'S DISCLOSURE REGARDING UNIMPROVED REAL PROPERTY IN FLOODPLAIN. (a) In this section, "floodplain" means an area of land designated by the Federal Emergency Management Agency (FEMA) under the National Flood Insurance Act of 1968 (42 U.S.C. Section 4001 et seq.) to be a special or moderate flood hazard area.

(b) A seller of unimproved real property located in this state shall provide to the purchaser of the property a written notice disclosing whether any part of the property is located in a floodplain. The disclosure must be substantially equivalent to the following:

"(Seller) () is aware or () is not aware that the unimproved real property that you are purchasing is located wholly or partly in a floodplain. A floodplain is an area of land designated by the Federal Emergency Management Agency (FEMA) to be a special or moderate flood hazard area. If neither box is checked, you should assume all or part of the property is located in a floodplain."

(c) The notice must be delivered by the seller on or before the effective date of an executory contract binding the purchaser

1 to purchase the property. If a contract is entered into without the
2 seller providing the notice as required by this section, the
3 purchaser may terminate the contract for any reason not later than
4 the seventh day after the effective date of the contract.

5 (d) This section applies to any seller of unimproved real
6 property, including a seller who is the developer of the property
7 and who sells the property to others for resale.

8 SECTION 2. The changes in law made by this Act apply only to
9 a contract for the sale of real property entered into on or after
10 the effective date of this Act. A contract entered into before the
11 effective date of this Act is governed by the law in effect on the
12 date the contract was entered into, and that law is continued in
13 effect for that purpose.

14 SECTION 3. This Act takes effect September 1, 2025.