

BILL ANALYSIS

S.B. 1527
By: Brimer
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Prior to 2001, a seller under a contract for deed could recover his property when a default occurred within 15 days if the equity was 10 percent or less, or longer if the equity was more. In 2001, this changed to 60 days regardless of the amount of equity. S.B. 1527 decreases to 30 days the period in which to cure a default.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 5.064, Property Code, to authorize a seller to enforce the remedy of rescission or of forfeiture and acceleration against a purchaser in default under an executory contract if the seller notifies the purchaser of the purchaser's right to cure the default within the 30-day, rather than 60-day, period described by Section 5.065, Property Code, or the purchaser fails to cure the default within the 30-day, rather than 60-day, period.

SECTION 2. Amends Section 5.065, Property Code, to decrease the time period for a purchaser to cure a default under an executory contract for conveyance from the 60th, to the 30th, day after the date notice is given.

SECTION 3. (a) Effective date: September 1, 2003.
(b) Makes application of this Act prospective.

EFFECTIVE DATE

September 1, 2003.