

BILL ANALYSIS

H.B. 1021
By: Giddings
Business & Industry
Committee Report (Amended)

BACKGROUND AND PURPOSE

Some real property declarations contain a provision that in the event any property owner wishes to sell their property, the developer (or their successors in interest) shall be given immediate written notice of any bona fide offer from a prospective purchaser. The holder of interest shall then have the right to purchase the subject property upon the same terms and conditions as set forth in the offer, provided that written notice of such purchase is given to the selling owner within a given time period immediately following the delivery of the notice of the offer. In the event an owner does not afford the holder of interest the right of first refusal, the declaration states that the sale is wholly null and void. This "right of first refusal" is incorporated into any instrument of conveyance requiring all subsequent grantees to do the same.

RULEMAKING AUTHORITY

It is the opinion of the Committee on Business and Industry that this bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

The Committee Substitute for House Bill No. 1021 amends the Property Code to prohibit a person from charging a fee for declining to exercise the right of first refusal in real property, such as a fee for providing a written declination.

EFFECTIVE DATE

Upon passage, or if the Act does not receive the necessary super-majority vote for immediate effect, then on the default date of September 1, 2005.

IMPACT OF THE COMMITTEE AMENDMENT

Committee Amendment No. 1 strikes "(a)" as it appears on Line 7 and then completely strikes all text on Lines 11 through 13 of this one-page bill.