

By: Farabee

H.B. No. 371

A BILL TO BE ENTITLED

AN ACT

1
2 relating to liquidated damages for failure to timely provide an
3 annual accounting statement required in connection with certain
4 conveyances of real property.

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

6 SECTION 1. Section 5.077, Property Code, is amended by
7 amending Subsection (c) and adding Subsection (d) to read as
8 follows:

9 (c) A seller who fails to comply with Subsection (a) is
10 liable to the purchaser for:

11 (1) liquidated damages in the amount of \$10 [~~\$250~~] a
12 day for each day after January 31 that the seller fails to provide
13 the purchaser with the statement; and

14 (2) reasonable attorney's fees.

15 (d) A purchaser may credit the amount of liquidated damages
16 owed by the seller under Subsection (c) toward the remaining amount
17 owed by the purchaser under the contract.

18 SECTION 2. The change in law made by this Act applies only
19 to liquidated damages owed in connection with an annual accounting
20 statement required to be provided on or after the effective date of
21 this Act. Liquidated damages owed in connection with an annual
22 accounting statement required to be provided before the effective
23 date of this Act are governed by the law in effect before the
24 effective date of this Act, and the former law is continued in

1 effect for that purpose.

2 SECTION 3. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2005.