

By: Giddings

H.B. No. 1021

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the right of first refusal in certain real estate
3 transactions.

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

5 SECTION 1. Subchapter A, Chapter 5, Property Code, is
6 amended by adding Section 5.014 to read as follows:

7 Sec. 5.014. PROHIBITED FEES. A person who has a right of
8 first refusal in real property may not charge a fee for declining to
9 exercise that right, such as a fee for providing written evidence of
10 the declination.

11 SECTION 2. Except as provided by a contract entered into
12 before the effective date of this Act, Section 5.014, Property
13 Code, as added by this Act, applies only to a fee that is solicited
14 on or after the effective date of this Act for declining the
15 exercise of a right of first refusal.

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