

By: Giddings

H.B. No. 1021

A BILL TO BE ENTITLED

AN ACT

1  
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) A person who has a right  
8 of first refusal in real property may not charge a fee for declining  
9 to exercise that right, such as a fee for providing written evidence  
10 of the declination.

11 (b) A title company shall accept written evidence that a  
12 person has solicited a fee under Subsection (a) as proof that the  
13 person has waived the right of first refusal.

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

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