By: Allen of Dallas H.B. No. 1919

A BILL TO BE ENTITLED

1	AN ACT
2	relating to notice in certain real property transactions concerning
3	public improvement districts.
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. NOTICE OF OBLIGATIONS RELATED TO PUBLIC
8	IMPROVEMENT DISTRICT. (a) A seller of residential real property
9	that is located in a public improvement district established under
10	Chapter 372, Local Government Code, and that consists of not more
11	than one dwelling unit located in this state shall give to the
12	purchaser of the property a written notice that reads substantially
13	similar to the following:
14	NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT
15	TO (municipality or county levying assessment) CONCERNING THE
16	PROPERTY AT (street address)
17	As a purchaser of this parcel of real property you are
18	obligated to pay an assessment to a municipality or county for an
19	improvement project undertaken by a public improvement district
20	under Chapter 372, Local Government Code. The assessment may be due
21	annually or in periodic installments. More information concerning
22	the amount of the assessment and the due dates of that assessment
23	may be obtained from the municipality or county levying the

assessment.

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The amount of the assessments is subject to change. Your 1 2 failure to pay the assessments could result in a lien on and the 3 foreclosure of your property. 4 Date: _ 5 Signature of Purchaser 6 (b) The seller shall deliver the notice required under 7 Subsection (a) to the purchaser before the effective date of an 8 executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during 9 negotiations, or as part of any other notice the seller delivers to 10 the purchaser. If the notice is included as part of the executory 11 12 contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the 13 14 notice, and the purchaser's signature on the notice may be omitted. 15 (c) This section does not apply to a transfer: (1) under a court order or foreclosure sale; 16 17 (2) by a trustee in bankruptcy; (3) to a mortgagee by a mortgagor or successor in 18 19 interest or to a beneficiary of a deed of trust by a trustor or successor in interest; 20 21 (4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of 22 sale under a deed of trust or a sale under a court-ordered 23 24 foreclosure or has acquired the land by a deed in lieu of 25 foreclosure; (5) by a fiduciary in the course of the administration 26

of a decedent's estate, guardianship, conservatorship, or trust;

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- 1 (6) from one co-owner to another co-owner of an
- 2 undivided interest in the real property;
- 3 (7) to a spouse or a person in the lineal line of
- 4 consanguinity of the seller;
- 5 (8) to or from a governmental entity;
- 6 (9) of only a mineral interest, leasehold interest, or
- 7 security interest; or
- 8 (10) of a real property interest in a condominium.
- 9 (d) If an executory contract is entered into without the
- seller providing the notice required by this section, the purchaser
- 11 may terminate the contract for any reason not later than the earlier
- 12 of:
- 13 <u>(1) the seventh day after the date the purchaser</u>
- 14 receives the notice; or
- 15 (2) the date the transfer occurs as provided by the
- 16 <u>executory contract.</u>
- 17 (e) The purchaser's right to terminate the executory
- 18 contract under Subsection (d) is the purchaser's exclusive remedy
- 19 for the seller's failure to provide the notice required by this
- 20 section.
- 21 SECTION 2. Section 5.014, Property Code, as added by this
- 22 Act, applies only to an executory contract that is binding on a
- 23 seller and purchaser on or after January 1, 2006.
- SECTION 3. This Act takes effect September 1, 2005.

H.B. No. 1919

		п. Б). NO.	1913
1	COMMITTEE AMENDMENT NO. 1			
2	Amend H.B. No. 1919 as follows:			
3	(2) On Page 3, Line 24, strike "September	1,	2005"	and
4	substitute "January 1, 2006."			
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