

1-1 By: Allen of Dallas (Senate Sponsor - Harris) H.B. No. 1919
1-2 (In the Senate - Received from the House May 4, 2005;
1-3 May 5, 2005, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 19, 2005, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 19, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to notice in certain real property transactions concerning
1-9 public improvement districts.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter A, Chapter 5, Property Code, is
1-12 amended by adding Section 5.014 to read as follows:

1-13 Sec. 5.014. NOTICE OF OBLIGATIONS RELATED TO PUBLIC
1-14 IMPROVEMENT DISTRICT. (a) A seller of residential real property
1-15 that is located in a public improvement district established under
1-16 Chapter 372, Local Government Code, and that consists of not more
1-17 than one dwelling unit located in this state shall give to the
1-18 purchaser of the property a written notice that reads substantially
1-19 similar to the following:

1-20 NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT
1-21 TO (municipality or county levying assessment) CONCERNING THE
1-22 PROPERTY AT (street address)

1-23 As a purchaser of this parcel of real property you are
1-24 obligated to pay an assessment to a municipality or county for an
1-25 improvement project undertaken by a public improvement district
1-26 under Chapter 372, Local Government Code. The assessment may be due
1-27 annually or in periodic installments. More information concerning
1-28 the amount of the assessment and the due dates of that assessment
1-29 may be obtained from the municipality or county levying the
1-30 assessment.

1-31 The amount of the assessments is subject to change. Your
1-32 failure to pay the assessments could result in a lien on and the
1-33 foreclosure of your property.

1-34 Date: _____

1-35 _____
1-36 Signature of Purchaser

1-37 (b) The seller shall deliver the notice required under
1-38 Subsection (a) to the purchaser before the effective date of an
1-39 executory contract binding the purchaser to purchase the property.
1-40 The notice may be given separately, as part of the contract during
1-41 negotiations, or as part of any other notice the seller delivers to
1-42 the purchaser. If the notice is included as part of the executory
1-43 contract or another notice, the title of the notice prescribed by
1-44 this section, the references to the street address and date in the
1-45 notice, and the purchaser's signature on the notice may be omitted.

1-46 (c) This section does not apply to a transfer:

1-47 (1) under a court order or foreclosure sale;

1-48 (2) by a trustee in bankruptcy;

1-49 (3) to a mortgagee by a mortgagor or successor in
1-50 interest or to a beneficiary of a deed of trust by a trustor or
1-51 successor in interest;

1-52 (4) by a mortgagee or a beneficiary under a deed of
1-53 trust who has acquired the land at a sale conducted under a power of
1-54 sale under a deed of trust or a sale under a court-ordered
1-55 foreclosure or has acquired the land by a deed in lieu of
1-56 foreclosure;

1-57 (5) by a fiduciary in the course of the administration
1-58 of a decedent's estate, guardianship, conservatorship, or trust;

1-59 (6) from one co-owner to another co-owner of an
1-60 undivided interest in the real property;

1-61 (7) to a spouse or a person in the lineal line of
1-62 consanguinity of the seller;

1-63 (8) to or from a governmental entity;

1-64 (9) of only a mineral interest, leasehold interest, or
security interest; or

2-1 (10) of a real property interest in a condominium.

2-2 (d) If an executory contract is entered into without the
2-3 seller providing the notice required by this section, the purchaser
2-4 may terminate the contract for any reason not later than the earlier
2-5 of:

2-6 (1) the seventh day after the date the purchaser
2-7 receives the notice; or

2-8 (2) the date the transfer occurs as provided by the
2-9 executory contract.

2-10 (e) The purchaser's right to terminate the executory
2-11 contract under Subsection (d) is the purchaser's exclusive remedy
2-12 for the seller's failure to provide the notice required by this
2-13 section.

2-14 SECTION 2. Section 5.014, Property Code, as added by this
2-15 Act, applies only to an executory contract that is binding on a
2-16 seller and purchaser on or after January 1, 2006.

2-17 SECTION 3. This Act takes effect January 1, 2006.

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