

By: Darby

H.B. No. 2403

A BILL TO BE ENTITLED

AN ACT

relating to prohibiting fees for future transfers of real property.

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

SECTION 1. Subchapter A, Chapter 5, Property Code, is amended by adding Section 5.016 to read as follows:

Sec. 5.016. FEE FOR FUTURE TRANSFERS OF REAL PROPERTY PROHIBITED. A deed restriction or other contract provision applicable to the transfer of real property that requires a transferee of real property or the transferee's heirs, successors, or assigns to pay the transferor of the property a fee for a future transfer of the property is prohibited. A deed restriction or other contract provision that violates this section is void and unenforceable.

SECTION 2. The change in law made by this Act applies only to a transfer of property that occurs on or after the effective date of this Act. A transfer of property that occurs before the effective date of this Act is covered by the law in effect immediately before that date, and that law remains in effect for that purpose. For the purposes of this section, a transfer of property occurs before the effective date of this Act if an executory contract binding a purchaser to purchase the property is executed before that date.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2007.