

By: Lucio

S.B. No. 1484

A BILL TO BE ENTITLED

AN ACT

relating to the provision of accounting statements by a seller who finances the sale of residential real property owned by the seller.

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

SECTION 1. Subchapter A, Chapter 5, Property Code, is amended by adding Section 5.019 to read as follows:

Sec. 5.019. ANNUAL ACCOUNTING STATEMENTS REQUIRED FOR SELLER-FINANCED SALES OF RESIDENTIAL REAL PROPERTY. (a) This section applies only to a seller of residential real property who finances the sale of residential real property owned by the seller by delivering title to the property to the purchaser in exchange for an agreement by the purchaser to pay the purchase price to the seller by periodic installments.

(b) A seller who enters into a transaction described by Subsection (a) shall provide the purchaser with an annual accounting statement in January of each year until the property is fully paid for by the purchaser. If the seller mails the statement to the purchaser, the statement must be postmarked not later than January 31.

(c) The statement required by Subsection (b) must include the following information:

(1) the total amount paid by the purchaser towards the price of the residential real property;

(2) the remaining amount owed to the seller;

1 (3) the number of payments remaining; and
2 (4) the amounts paid to taxing authorities on the
3 purchaser's behalf if collected by the seller.

4 (d) A seller must provide, at no cost to the purchaser, a
5 written statement of the amount of the purchase price still owed by
6 the purchaser not later than the 10th day after the date the
7 purchaser makes a written request for the statement.

8 (e) A seller who fails to comply with Subsection (b) is
9 liable to the purchaser for:

10 (1) actual damages;
11 (2) additional damages in the amount of \$500 for each
12 annual statement the seller fails to provide to the purchaser
13 within the time required by Subsection (b); and

14 (3) reasonable attorney's fees.

15 (f) A seller who fails to comply with Subsection (d) is
16 liable to the purchaser for:

17 (1) actual damages;
18 (2) additional damages in the amount of \$100 for each
19 statement the seller fails to provide to the purchaser within the
20 time required by Subsection (d); and

21 (3) reasonable attorney's fees.

22 (g) A purchaser may deduct an amount owed to the purchaser
23 by the seller under Subsection (e) or (f) without formal action.

24 (h) A seller who fails to comply with Subsection (b) or (d)
25 after receiving a written notice from the purchaser of the seller's
26 violation may not controvert a sworn statement from the purchaser
27 regarding a fact required to be reflected in the statement.

1 (i) An agreement that purports to waive a right or exempt a
2 party from a liability or duty under this section is void and
3 unenforceable.

4 SECTION 2. The change in law made by this Act applies to a
5 financing agreement entered into before, on, or after the effective
6 date of this Act.

7 SECTION 3. This Act takes effect September 1, 2007.