

## **BILL ANALYSIS**

C.S.H.B. 3834  
By: Hilderbran  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Under current law, the seller of a single-family residence subject to a public improvement district assessment is required to give written notice to a prospective buyer of the residence at or prior to placing the residence under an executory contract for the purchase of the property. The form of notice and certain excepted transfers are provided for in statute as well as the rights of a buyer who is not given the required notice.

C.S.H.B. 3834 requires the seller of real property to provide notice regarding the purchaser's duty to register water wells located or drilled on the property.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3834 amends the Property Code to require a seller of real property larger than one acre any part of which is located in a groundwater conservation district to give to the purchaser of the property a written notice that reads substantively similar to one provided in the bill of obligation to register water wells.

C.S.H.B. 3834 requires the seller to deliver such notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The bill authorizes the notice to be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser, and authorizes the title of such notice and the purchaser's signature on such notice to be omitted if the notice is included as part of the executory contract or another notice.

C.S.H.B. 3834 establishes that its provisions do not apply to a transfer:

- to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- from one co-owner to another co-owner of an undivided interest in the real property;
- to a spouse or a person in the lineal line of consanguinity of the seller; or
- of only a mineral interest, leasehold interest, or security interest.

C.S.H.B. 3834 defines "district" to mean a groundwater conservation district to which provisions relating to groundwater conservation districts are applicable, a subsidence district governed by provisions relating to the Harris-Galveston Subsidence District, or a subsidence district established under Chapter 1045, Acts of the 71st Legislature, Regular Session, 1989.

**EFFECTIVE DATE**

September 1, 2009.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 3834 differs from the original by requiring a seller of real property larger than one acre, any part of which is located in a groundwater conservation district, to give to the purchaser of the property a specified written notice, whereas the original requires a seller of real property that is located in a groundwater conservation district established under governing provisions and that is larger than one acre to give to the purchaser of the property a specified written notice. The substitute adds a provision not in the original defining "district."