

By: McClendon

H.B. No. 570

A BILL TO BE ENTITLED

AN ACT

relating to requiring the disclosure of certain information to purchasers and renters of residential 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 5.019 to read as follows:

Sec. 5.019. SELLER'S DISCLOSURE OF TAXING AUTHORITIES AND TERRITORIAL BOUNDARIES IN CERTAIN AREAS. (a) In this section:

(1) "Local government" means a county, municipality, school district, special district, or other political subdivision of this state.

(2) "Unincorporated enclave" means an unincorporated area of a county bounded entirely by:

(A) the incorporated territory and the extraterritorial jurisdiction of one or more municipalities;

(B) the incorporated territory of one or more municipalities; or

(C) the extraterritorial jurisdiction of one or more municipalities.

(b) This section applies only to a county that has a population of more than one million and in which more than 80 percent of the population lives in a single municipality.

(c) A seller of residential real property wholly or partly located in an unincorporated enclave shall provide to the purchaser

1 of the property a written notice:

2 (1) listing:

3 (A) each taxing authority to which the property  
4 is subject; and

5 (B) each local government in whose territory the  
6 property is located; and

7 (2) describing the boundaries of the unincorporated  
8 enclave.

9 (d) The seller shall deliver the notice required under  
10 Subsection (c) to the purchaser before the effective date of an  
11 executory contract binding the purchaser to purchase the  
12 property. The notice may be given separately, as part of the  
13 contract during negotiations, or as part of any other notice the  
14 seller delivers to the purchaser.

15 (e) This section does not apply to a transfer:

16 (1) under a court order or foreclosure sale;

17 (2) by a trustee in bankruptcy;

18 (3) to a mortgagee by a mortgagor or successor in  
19 interest or to a beneficiary of a deed of trust by a trustor or  
20 successor in interest;

21 (4) by a mortgagee or a beneficiary under a deed of  
22 trust who has acquired the land at a sale conducted under a power of  
23 sale under a deed of trust or a sale under a court-ordered  
24 foreclosure or has acquired the land by a deed in lieu of  
25 foreclosure;

26 (5) by a fiduciary in the course of the administration  
27 of a decedent's estate, guardianship, conservatorship, or trust;

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; or

6           (9) of only a mineral interest, leasehold interest, or  
7 security interest.

8           (f) If an executory contract is entered into without the  
9 seller providing the notice required by this section, the purchaser  
10 may terminate the contract for any reason not later than the earlier  
11 of:

12           (1) the seventh day after the date the purchaser  
13 receives the notice; or

14           (2) the date the transfer occurs as provided by the  
15 executory contract.

16           (g) The purchaser's right to terminate the executory  
17 contract under Subsection (f) is the purchaser's exclusive remedy  
18 for the seller's failure to provide the notice required by this  
19 section.

20           SECTION 2. Subchapter A, Chapter 92, Property Code, is  
21 amended by adding Section 92.021 to read as follows:

22           Sec. 92.021. LANDLORD'S DISCLOSURE OF TAXING AUTHORITIES  
23 AND TERRITORIAL BOUNDARIES IN CERTAIN AREAS. (a) In this section:

24           (1) "Local government" means a county, municipality,  
25 school district, special district, or other political subdivision  
26 of this state.

27           (2) "Unincorporated enclave" means an unincorporated

1 area of a county bounded entirely by:

2 (A) the incorporated territory and the  
3 extraterritorial jurisdiction of one or more municipalities;

4 (B) the incorporated territory of one or more  
5 municipalities; or

6 (C) the extraterritorial jurisdiction of one or  
7 more municipalities.

8 (b) This section applies only to a county that has a  
9 population of more than one million and in which more than 80  
10 percent of the population lives in a single municipality.

11 (c) A landlord who leases property located partly in an  
12 unincorporated enclave shall provide to a proposed tenant of the  
13 property a written notice indicating that the leased property is  
14 not wholly located within the incorporated territory of a  
15 municipality and that municipal services may not be available.

16 (d) A landlord who leases property located wholly in an  
17 unincorporated enclave shall provide to a proposed tenant of the  
18 property a written notice indicating that the leased property is  
19 wholly located outside the incorporated territory of a municipality  
20 and that municipal services may not be available.

21 (e) The landlord shall deliver the notice required under  
22 Subsection (c) or (d) to the proposed tenant before the effective  
23 date of a lease binding the proposed tenant to lease the property.  
24 The notice may be given separately, as part of the lease, or as part  
25 of any other notice the landlord delivers to the proposed tenant.

26 (f) If a lease is entered into without the landlord  
27 providing the notice required under Subsection (c) or (d), the

1 tenant may terminate the lease for any reason not later than the  
2 earlier of:

3 (1) the seventh day after the date the tenant receives  
4 the notice; or

5 (2) the effective date of the lease.

6 (g) The tenant's right to terminate the lease under  
7 Subsection (f) is the tenant's exclusive remedy for the failure of  
8 the landlord to provide the notice required under Subsection (c) or  
9 (d).

10 SECTION 3. (a) Section 5.019, Property Code, as added by  
11 this Act, applies only to an executory contract entered into on or  
12 after the effective date of this Act.

13 (b) Section 92.021, Property Code, as added by this Act,  
14 applies only to a lease entered into on or after the effective date  
15 of this Act.

16 SECTION 4. This Act takes effect September 1, 2009.