

By: McClendon

H.B. No. 570

Substitute the following for H.B. No. 570:

By: Miller of Erath

C.S.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.