

By: Hilderbran

H.B. No. 3834

Substitute the following for H.B. No. 3834:

By: Smithee

C.S.H.B. No. 3834

A BILL TO BE ENTITLED

1 AN ACT

2 relating to requiring the seller of certain real property to
3 provide notice regarding the purchaser's duty to register water
4 wells located or drilled on the property.

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

6 SECTION 1. Subchapter A, Chapter 5, Property Code, is
7 amended by adding Section 5.0141 to read as follows:

8 Sec. 5.0141. NOTICE OF OBLIGATION TO REGISTER WATER WELLS.

9 (a) In this section, "district" means a groundwater conservation
10 district to which Chapter 36, Water Code, is applicable, a
11 subsidence district governed by Chapter 8801, Special District
12 Local Laws Code, or a subsidence district established under Chapter
13 1045, Acts of the 71st Legislature, Regular Session, 1989.

14 (b) A seller of real property larger than one acre any part
15 of which is located in a district shall give to the purchaser of the
16 property a written notice that reads substantially similar to the
17 following:

18 NOTICE OF OBLIGATION TO REGISTER WATER WELLS WITH THE (name of
19 district)

20 As a purchaser of this parcel of real property you are
21 obligated to register all existing water wells located on the
22 property and all water wells drilled on the property after the
23 purchase of this parcel with the (name of district) as provided by
24 (Chapter 36, Water Code, Chapter 8801, Special District Local Laws

1 Code, or Chapter 1045, Acts of the 71st Legislature, Regular
2 Session, 1989, as applicable).

3 Your failure to register water wells located or drilled on
4 the property with the (name of district) may be a violation of the
5 district's rules or illegal drainage and may result in an action for
6 damages.

7 Date: _____

8 Signature of Purchaser

9 (c) The seller shall deliver the notice required by
10 Subsection (a) 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. If the notice is included as
15 part of the executory contract or another notice, the title of the
16 notice prescribed by Subsection (b) and the purchaser's signature
17 on the notice may be omitted.

18 (d) This section does not apply to a transfer:

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

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

27 (3) by a fiduciary in the course of the administration

1 of a decedent's estate, guardianship, conservatorship, or trust;
2 (4) from one co-owner to another co-owner of an
3 undivided interest in the real property;
4 (5) to a spouse or a person in the lineal line of
5 consanguinity of the seller; or
6 (6) of only a mineral interest, leasehold interest, or
7 security interest.

8 SECTION 2. (a) The change in law made by this Act applies
9 only to a transfer of property that occurs on or after the effective
10 date of this Act. For purposes of this section, a transfer of
11 property occurs before the effective date of this Act if the
12 executory contract binding the purchaser to purchase the property
13 is executed before that date.

14 (b) A transfer of property before the effective date of this
15 Act is governed by the law in effect immediately before the
16 effective date of this Act, and that law is continued in effect for
17 that purpose.

18 SECTION 3. This Act takes effect September 1, 2009.