

BILL ANALYSIS

C.S.H.B. 3389
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties assert that a seller of residential real property is not required to provide enough disclosure regarding the seller's knowledge of the condition of the property, specifically with regard to the provision of natural gas or propane gas on the property.

C.S.H.B. 3389 seeks to address the need for greater consumer protection in the form of transparency and better consumer awareness regarding the property a potential buyer is considering for purchase by amending the seller's disclosure notice to provide for the disclosure of information regarding the gas lines supplying liquid propane gas to the home, if applicable.

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. 3389 amends the Property Code to require the form for the disclosure notice that the seller of residential real property consisting of a single dwelling unit must provide to the buyer to include on the checklist of items that come with the property separate listings that allow the seller to distinguish whether the property is fueled by natural gas lines or liquid propane gas and, if the property is fueled by liquid propane gas, whether the liquid propane gas source is community-based and captive or located on the property.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3389 contains a provision not included in the original, in the item that allows the seller to distinguish whether a liquid propane gas source is community-based or located on the property, specifying that a community-based liquid propane source is captive.