

BILL ANALYSIS

H.B. 3483
By: Christian
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

If a person selling a residential property fails to notify a prospective buyer about possible contamination on the property, the buyer may not learn until after the purchase that the land is contaminated. H.B. 3483 requires a person selling residential property to notify a purchaser within a certain period of time before the purchase contract is executed of any contamination on the property and provides remedies to the purchaser if the seller fails to do so.

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

H.B. 3483 amends the Property Code to require a person who sells an interest in residential real property in Texas to give to the purchaser of the property written notice that specifies the nature of any contamination on or under the property. The bill requires the seller to deliver the notice to the purchaser before the date the executory contract binds the purchaser to purchase the property and 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.

H.B. 3483 makes its provisions inapplicable as follows to a transfer:

- under a court order or foreclosure sale;
- by a trustee in bankruptcy;
- 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;
- to or from a governmental entity;
- of only a mineral interest, leasehold interest, or security interest; or
- of real property that is located wholly within a municipality's corporate boundaries.

H.B. 3483 authorizes a purchaser, if an executory contract is entered into without the seller providing the notice required by the bill's provisions, to terminate a contract for any reason

within the earlier of seven days after the date the purchaser receives the notice or the date the transfer occurs.

EFFECTIVE DATE

September 1, 2011.