

BILL ANALYSIS

S.B. 1187
By: Watson
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties observe that a lis pendens, which is a legal notice filed on record to signify that a piece of property is the subject of a lawsuit, can currently be filed and become effective without giving the public the opportunity to actually see the notice or know that the notice exists.

S.B. 1187 seeks to protect a purchaser who may not have any other means of knowing about a lis pendens by making a lis pendens effective once the notice is indexed in the public record and available for public access.

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

S.B. 1187 amends the Property Code to specify that the time at which notice of lis pendens becomes effective is when the notice is filed for record and the notice recorded in the lis pendens record is indexed by the county clerk in the manner provided by law. The bill adds the indexing of a notice of lis pendens to the recording of that notice as a condition that prevents a transfer or encumbrance of real property involved in a proceeding by a party to the proceeding to a third party who has paid a valuable consideration and who does not have actual or constructive notice of the proceeding from taking effect.

EFFECTIVE DATE

September 1, 2011.