

By: Anderson of Dallas

H.B. No. 2254

A BILL TO BE ENTITLED

AN ACT

relating to scope and validity of correction instruments in the conveyance of real property.

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

SECTION 1. Subchapter B, Chapter 5, Property Code, is amended by adding Section 5.027 to read as follows:

Sec. 5.027. CORRECTION INSTRUMENTS. (a) Except as provided by Subsection (b), a correction instrument may correct only an ambiguity or error in an instrument of conveyance to transfer real property or an interest in real property if the ambiguity or error:

(1) relates to the description of or extent of the interest conveyed; or

(2) resulted in:

(A) the conveyance of real property or an interest in real property that the parties to the original instrument did not intend to convey; or

(B) the failure to convey real property or an interest in real property that the parties to the original instrument intended to convey.

(b) A correction instrument may not correct an ambiguity or error in an instrument of conveyance to transfer real property or an interest in real property not originally conveyed in the instrument of conveyance for purposes of a sale of real property under a power

1 of sale under Chapter 51.

2 (c) A correction instrument must be:

3 (1) executed by each party to the original instrument  
4 the correction instrument is executed to correct; and

5 (2) recorded in each county in which the original  
6 instrument that is being corrected is recorded.

7 (d) A correction instrument that does not comply with this  
8 section is:

9 (1) binding on:

10 (A) a party to the instrument and the party's  
11 heirs; and

12 (B) a subsequent purchaser who:

13 (i) does not pay a valuable consideration  
14 for the real property or an interest in the real property; or

15 (ii) has notice of the correction  
16 instrument; and

17 (2) void as to a creditor or to a subsequent purchaser  
18 who:

19 (A) pays a valuable consideration for the real  
20 property or an interest in the real property; and

21 (B) does not have notice of the correction  
22 instrument.

23 (e) A correction instrument that complies with this section  
24 or is otherwise binding relates back and is effective as of the date  
25 of the original instrument the correction instrument is executed to  
26 correct.

27 SECTION 2. The changes in law made by this Act apply only to

1 a correction instrument executed on or after the effective date of  
2 this Act. A correction instrument executed before the effective  
3 date of this Act is governed by the law in effect immediately before  
4 the effective date of this Act, and that law is continued in effect  
5 for that purpose.

6 SECTION 3. This Act takes effect September 1, 2011.