

By: Christian

H.B. No. 3483

A BILL TO BE ENTITLED

AN ACT

relating to seller's disclosure regarding the presence of  
contaminants on residential real property.

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

SECTION 1. Subchapter A, Chapter 5, Property Code, is  
amended by adding Section 5.019 to read as follows:

Sec. 5.019. SELLER'S DISCLOSURE REGARDING CONTAMINATION.

(a) A person who sells an interest in residential real property in  
this state shall give to the purchaser of the property written  
notice that specifies the nature of any contamination on or under  
the property, including the contaminant, the source, if known, and  
the location and extent of the contamination.

(b) The seller shall deliver the notice to the purchaser  
before the date the executory contract binds the purchaser to  
purchase the property. The notice may be given separately, as part  
of the contract during negotiations, or as part of any other notice  
the seller delivers to the purchaser.

(c) This section does not apply to a transfer:

(1) under a court order or foreclosure sale;

(2) by a trustee in bankruptcy;

(3) 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;

(4) by a mortgagee or a beneficiary under a deed of

1 trust who has acquired the land at a sale conducted under a power of  
2 sale under a deed of trust or a sale under a court-ordered  
3 foreclosure or has acquired the land by a deed in lieu of  
4 foreclosure;

5 (5) by a fiduciary in the course of the administration  
6 of a decedent's estate, guardianship, conservatorship, or trust;

7 (6) from one co-owner to another co-owner of an  
8 undivided interest in the real property;

9 (7) to a spouse or a person in the lineal line of  
10 consanguinity of the seller;

11 (8) to or from a governmental entity;

12 (9) of only a mineral interest, leasehold interest, or  
13 security interest; or

14 (10) of real property that is located wholly within a  
15 municipality's corporate boundaries.

16 (d) If an executory contract is entered into without the  
17 seller providing the notice required by this section, the purchaser  
18 may terminate the contract for any reason within the earlier of:

19 (1) seven days after the date the purchaser receives  
20 the notice; or

21 (2) the date the transfer occurs.

22 SECTION 2. The change in law made by this Act applies only  
23 to a transfer of property that occurs on or after the effective date  
24 of this Act. For purposes of this section, a transfer of property  
25 occurs before the effective date of this Act if an executory  
26 contract binding the purchaser to purchase the property is executed  
27 before that date. Property transferred before the effective date of

1 this Act is governed by the law in effect immediately before the  
2 effective date of this Act, and that law is continued in effect for  
3 that purpose.

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