| **House Bill 8**Senate AmendmentsSection-by-Section Analysis |
| --- |
| HOUSE VERSION | SENATE VERSION (CS) | CONFERENCE |
| SECTION 1. Chapter 5, Property Code, is amended by adding Subchapter G to read as follows:SUBCHAPTER G. CERTAIN PRIVATE TRANSFER FEES PROHIBITED; PRESERVATION OF PRIVATE REAL PROPERTY RIGHTSSec. 5.201. DEFINITIONS. In this subchapter:(1) "Encumbered property" means all property, including the property of a subsequent purchaser, subject to the same private transfer fee obligation.(2) "Lender" means a lending institution, including a bank, trust company, banking association, savings and loan association, mortgage company, investment bank, credit union, life insurance company, and governmental agency, that customarily provides financing or an affiliate of a lending institution.(3) "Payee" means a person who claims the right to receive or collect a private transfer fee payable under a private transfer fee obligation and who may or may not have a pecuniary interest in the obligation.(4) "Private transfer fee" means an amount of money, regardless of the method of determining the amount, that is payable on the transfer of an interest in real property or payable for a right to make or accept a transfer.(5) "Private transfer fee obligation" means an obligation to pay a private transfer fee created under:(A) a declaration or other covenant recorded in the real property records in the county in which the property subject to the private transfer fee obligation is located;(B) a contractual agreement or promise; or(C) an unrecorded contractual agreement or promise.(6) "Subsequent owner" means a person who acquires real property by transfer from a person other than the person who is the seller of the property on the date the private transfer fee obligation is created.(7) "Subsequent purchaser" means a person who purchases real property from a person other than the person who is the seller on the date the private transfer fee obligation is created. The term includes a lender who provides a mortgage loan to a subsequent purchaser to purchase the property.(8) "Transfer" means the sale, gift, conveyance, assignment, inheritance, or other transfer of an ownership interest in real property.Sec. 5.202. CERTAIN PRIVATE TRANSFER FEE OBLIGATIONS VOID. (a) Except as provided by this subchapter, a private transfer fee obligation created on or after the effective date of this subchapter is not binding or enforceable against a subsequent owner or subsequent purchaser of an interest in real property and is void.(b) For purposes of this subchapter, the following payments are not considered private transfer fee obligations:(1) consideration paid by a purchaser to a seller for an interest in real property transferred, including, as applicable, a mineral interest transferred, including additional consideration paid to a seller for the property's appreciation, development, or sale after the interest in the property has been transferred to the purchaser, if the additional consideration is paid only once and that payment does not bind successors in interest to the property to any private transfer fee obligation;(2) a commission paid to a licensed real estate broker under a written agreement between a seller or purchaser and the broker, including an additional commission for the property's appreciation, development, or sale after the interest in property is transferred to the purchaser;(3) interest, a fee, a charge, or another type of payment to a lender under a loan secured by a mortgage on the property, including:(A) a fee payable for the lender's consent to an assumption of the loan or transfer of the property subject to the mortgage;(B) a fee or charge payable for an estoppel letter or certificate;(C) a shared appreciation interest or profit participation; or(D) other consideration payable in connection with the loan;(4) rent, reimbursement, a fee, a charge, or another type of payment to a lessor under a lease, including a fee for consent to an assignment, sublease, encumbrance, or transfer of a lease;(5) consideration paid to the holder of an option to purchase an interest in property, or to the holder of a right of first refusal or first offer to purchase an interest in property, for waiving, releasing, or not exercising the option or right when the property is transferred to another person;(6) a fee payable to or imposed by a governmental entity in connection with recording the transfer of the property;(7) dues, a fee, a charge, an assessment, a fine, a contribution, or another type of payment under a declaration or other covenant or under law, including a fee or charge payable for a change of ownership entered in the records of an association to which this subdivision applies or an estoppel letter or resale certificate issued under Section 207.003 by an association to which this subdivision applies or the person identified under Section 209.004(a)(6), provided that no portion of the fee or charge is required to be passed through to a third party designated or identifiable in the declaration or other covenant or law or in a document referenced in the declaration or other covenant or law, unless paid to:(A) an association as defined by Section 82.003 or 221.002 or the person or entity managing the association as provided by Section 82.116(a)(5) or 221.032(b)(11), as applicable;(B) a property owners' association as defined by Section 202.001 or 209.002 or the person or entity described by Section 209.004(a)(6); or(C) a property owners' association as defined by Section 202.001 that does not require an owner of property governed by the association to be a member of the association or the person or entity described by Section 209.004(a)(6);(8) dues, a fee, a charge, an assessment, a fine, a contribution, or another type of payment for the transfer of a club membership related to the property;(9) dues, a fee, a charge, an assessment, a fine, a contribution, or another type of payment paid to an organization exempt from federal taxation under Section 501(c)(3) or 501(c)(4), Internal Revenue Code of 1986, only if the organization uses the payments to directly benefit the encumbered property by:(A) supporting or maintaining only the encumbered property;(B) constructing or repairing improvements only to the encumbered property; or(C) providing activities or infrastructure to support quality of life, including cultural, educational, charitable, recreational, environmental, and conservation activities and infrastructure, that directly benefit the encumbered property; or(10) a fee payable to or imposed by the Veterans' Land Board for consent to an assumption or transfer of a contract of sale and purchase.(c) The benefit described by Subsection (b)(9)(C) may collaterally benefit a community composed of:(1) property that is adjacent to the encumbered property; or(2) property a boundary of which is not more than 1,000 yards from a boundary of the encumbered property.(d) Notwithstanding Subsection (c), an organization may provide a direct benefit under Subsection (b)(9) if:(1) the organization provides to the general public activities or infrastructure described by Subsection (b)(9)(C);(2) the provision of activities or infrastructure substantially benefits the encumbered property; and(3) the governing body of the organization:(A) is controlled by owners of the encumbered property; and(B) approves payments for activities or infrastructure at least annually.(e) An organization may provide activities and infrastructure described by Subsection (b)(9)(C) to another organization exempt from federal taxation under Section 501(c)(3) or 501(c)(4), Internal Revenue Code of 1986, at no charge for de minimis usage without violating the requirements of this section.Sec. 5.203. NOTICE REQUIREMENTS FOR CONTINUATION OF EXISTING PRIVATE TRANSFER FEE OBLIGATIONS. (a) A person who receives a private transfer fee under a private transfer fee obligation created before the effective date of this subchapter must, on or before January 31, 2012, file for record a "Notice of Private Transfer Fee Obligation" as provided by this section in the real property records of each county in which the property is located.(b) Multiple payees of a single private transfer fee under a private transfer fee obligation must designate one payee as the payee of record for the fee.(c) A notice under Subsection (a) must:(1) be printed in at least 14-point boldface type;(2) state the amount of the private transfer fee and the method of determination, if applicable;(3) state the date or any circumstance under which the private transfer fee obligation expires, if any;(4) state the purpose for which the money from the private transfer fee obligation will be used;(5) notwithstanding Subsection (b), state the name of each payee and each payee's contact information;(6) state the name and address of the payee of record to whom the payment of the fee must be sent;(7) include the acknowledged signature of each payee or authorized representative of each payee; and(8) state the legal description of the property subject to the private transfer fee obligation.(d) A person required to file a notice under this section shall:(1) refile the notice described by this section not earlier than the 30th day before the third anniversary of the original filing date described by Subsection (a) and within a similar 30-day period every third year thereafter; and(2) amend the notice to reflect any change in the name or address of any payee included in the notice not later than the 30th day after the date the change occurs.(e) A person who amends a notice under Subsection (d)(2) must include:(1) the recording information of the original notice filed as required by this section; and(2) the legal description of the property subject to the private transfer fee obligation.(f) If a person required to file a notice under this section fails to comply with this section:(1) payment of the private transfer fee may not be a requirement for the conveyance of an interest in the property to a purchaser;(2) the property is not subject to further obligation under the private transfer fee obligation; and(3) the private transfer fee obligation is void.Sec. 5.204. ADDITIONAL COMPLIANCE REQUIREMENT: TIMELY ACCEPTANCE OF FEES PAID UNDER EXISTING PRIVATE TRANSFER FEE OBLIGATIONS. (a) The payee of record on the date a private transfer fee is paid under a private transfer fee obligation subject to Section 5.203 must accept the payment on or before the 30th day after the date the payment is tendered to the payee.(b) If the payee of record fails to comply with Subsection (a):(1) the payment must be returned to the remitter;(2) payment of the private transfer fee may not be a requirement for the conveyance of an interest in the property to a purchaser;(3) the property is not subject to further obligation under the private transfer fee obligation; and(4) the private transfer fee obligation is void.Sec. 5.205. DISCLOSURE OF EXISTING TRANSFER FEE OBLIGATION REQUIRED IN CONTRACT FOR SALE. A seller of real property that may be subject to a private transfer fee obligation shall provide written notice to a potential purchaser stating that the obligation may be governed by this subchapter.Sec. 5.206. WAIVER VOID. A provision that purports to waive a purchaser's rights under this subchapter is void.Sec. 5.207. LIABILITY FOR IMPOSING PRIVATE TRANSFER FEE OBLIGATION. A person who imposes or enters into an agreement imposing a private transfer fee obligation in the person's favor in violation of this subchapter is liable for:(1) damages resulting from the imposition of the private transfer fee obligation, including the amount of any private transfer fee paid; and(2) attorney's fees, expenses, and costs incurred in an action to recover the private transfer fee paid or to quiet title to the real property.Sec. 5.208. INJUNCTIVE OR DECLARATORY RELIEF; PROVIDING PENALTIES. (a) The attorney general may institute an action for injunctive or declaratory relief to restrain a violation of this subchapter.(b) In addition to instituting an action for injunctive or declaratory relief under Subsection (a), the attorney general may institute an action for civil penalties against a payee for a violation of this chapter. Except as provided by Subsection (c), a civil penalty assessed under this section may not exceed an amount equal to two times the amount of the private transfer fee charged or collected by the payee in violation of this subchapter.(c) If the court in which an action under Subsection (b) is pending finds that a payee violated this subchapter with a frequency that constitutes a pattern or practice, the court may assess a civil penalty not to exceed $250,000.(d) The comptroller shall deposit to the credit of the general revenue fund all money collected under this section.Sec. 5.209. DECEPTIVE TRADE PRACTICE. A person commits a false, misleading, or deceptive act or practice within the meaning of Section 17.46, Business & Commerce Code, by violating this subchapter.Sec. 5.210. PROPERTY OWNERS' ASSOCIATION COVENANTS RELATING TO PRIVATE TRANSFER FEE OBLIGATIONS. (a) In this section:(1) "Dedicatory instrument," "property owners' association," and "restrictive covenant" have the meanings assigned by Section 202.001.(2) "Development period" means a period stated in a dedicatory instrument during which a declarant reserves a right to:(A) facilitate the development, construction, and marketing of a subdivision; and(B) direct the size, shape, and composition of the subdivision.(b) A restrictive covenant requiring a private transfer fee obligation is void, unless the covenant is amended in accordance with Subsections (c) and (d), if the covenant does not comply with a rule or regulation regarding qualification of subdivision property for an insured or guaranteed mortgage loan that is adopted by the United States Department of Housing and Urban Development, Consumer Financial Protection Bureau, Federal Housing Finance Agency, United States Department of Veterans Affairs, Texas Veterans' Land Board, or other federal or state agency, as applicable.(c) A restrictive covenant requiring a private transfer fee obligation may be amended to comply with a rule or regulation described by Subsection (b) by:(1) a developer or builder during the development period; or(2) the governing body of a property owners' association.(d) An amendment under Subsection (c) must:(1) specifically reference this section;(2) indicate that the amendment is adopted under authority of this section; and(3) be filed in the real property records of the county in which the property is located. | SECTION 1. Chapter 5, Property Code, is amended by adding Subchapter G to read as follows:SUBCHAPTER G. CERTAIN PRIVATE TRANSFER FEES PROHIBITED; PRESERVATION OF PRIVATE REAL PROPERTY RIGHTSSec. 5.201. DEFINITIONS. In this subchapter:(1) "Encumbered property" means all property, including the property of a subsequent purchaser, subject to the same private transfer fee obligation.(2) "Lender" means a lending institution, including a bank, trust company, banking association, savings and loan association, mortgage company, investment bank, credit union, life insurance company, and governmental agency, that customarily provides financing or an affiliate of a lending institution.(3) "Payee" means a person who claims the right to receive or collect a private transfer fee payable under a private transfer fee obligation and who may or may not have a pecuniary interest in the obligation.(4) "Private transfer fee" means an amount of money, regardless of the method of determining the amount, that is payable on the transfer of an interest in real property or payable for a right to make or accept a transfer.(5) "Private transfer fee obligation" means an obligation to pay a private transfer fee created under:(A) a declaration or other covenant recorded in the real property records in the county in which the property subject to the private transfer fee obligation is located;(B) a contractual agreement or promise; or(C) an unrecorded contractual agreement or promise.(6) "Subsequent owner" means a person who acquires real property by transfer from a person other than the person who is the seller of the property on the date the private transfer fee obligation is created.(7) "Subsequent purchaser" means a person who purchases real property from a person other than the person who is the seller on the date the private transfer fee obligation is created. The term includes a lender who provides a mortgage loan to a subsequent purchaser to purchase the property.(8) "Transfer" means the sale, gift, conveyance, assignment, inheritance, or other transfer of an ownership interest in real property.Sec. 5.202. CERTAIN PRIVATE TRANSFER FEE OBLIGATIONS VOID. (a) Except as provided by this subchapter, a private transfer fee obligation created on or after the effective date of this subchapter is not binding or enforceable against a subsequent owner or subsequent purchaser of an interest in real property and is void.(b) For purposes of this subchapter, the following payments are not considered private transfer fee obligations:(1) consideration paid by a purchaser to a seller for an interest in real property transferred, including, as applicable, a mineral interest transferred, including additional consideration paid to a seller for the property's appreciation, development, or sale after the interest in the property has been transferred to the purchaser, if the additional consideration is paid only once and that payment does not bind successors in interest to the property to any private transfer fee obligation;(2) a commission paid to a licensed real estate broker under a written agreement between a seller or purchaser and the broker, including an additional commission for the property's appreciation, development, or sale after the interest in property is transferred to the purchaser;(3) interest, a fee, a charge, or another type of payment to a lender under a loan secured by a mortgage on the property, including:(A) a fee payable for the lender's consent to an assumption of the loan or transfer of the property subject to the mortgage;(B) a fee or charge payable for an estoppel letter or certificate;(C) a shared appreciation interest or profit participation; or(D) other consideration payable in connection with the loan;(4) rent, reimbursement, a fee, a charge, or another type of payment to a lessor under a lease, including a fee for consent to an assignment, sublease, encumbrance, or transfer of a lease;(5) consideration paid to the holder of an option to purchase an interest in property, or to the holder of a right of first refusal or first offer to purchase an interest in property, for waiving, releasing, or not exercising the option or right when the property is transferred to another person;(6) a fee payable to or imposed by a governmental entity in connection with recording the transfer of the property;(7) dues, a fee, a charge, an assessment, a fine, a contribution, or another type of payment under a declaration or other covenant or under law, including a fee or charge payable for a change of ownership entered in the records of an association to which this subdivision applies or an estoppel letter or resale certificate issued under Section 207.003 by an association to which this subdivision applies or the person identified under Section 209.004(a)(6), provided that no portion of the fee or charge is required to be passed through to a third party designated or identifiable in the declaration or other covenant or law or in a document referenced in the declaration or other covenant or law, unless paid to:(A) an association as defined by Section 82.003 or 221.002 or the person or entity managing the association as provided by Section 82.116(a)(5) or 221.032(b)(11), as applicable;(B) a property owners' association as defined by Section 202.001 or 209.002 or the person or entity described by Section 209.004(a)(6); or(C) a property owners' association as defined by Section 202.001 that does not require an owner of property governed by the association to be a member of the association or the person or entity described by Section 209.004(a)(6);(8) dues, a fee, a charge, an assessment, a fine, a contribution, or another type of payment for the transfer of a club membership related to the property;(9) dues, a fee, a charge, an assessment, a fine, a contribution, or another type of payment paid to an organization exempt from federal taxation under Section 501(c)(3) or 501(c)(4), Internal Revenue Code of 1986, only if the organization uses the payments to directly benefit the encumbered property by:(A) supporting or maintaining only the encumbered property;(B) constructing or repairing improvements only to the encumbered property; or(C) providing activities or infrastructure to support quality of life, including cultural, educational, charitable, recreational, environmental, and conservation activities and infrastructure, that directly benefit the encumbered property; or(10) a fee payable to or imposed by the Veterans' Land Board for consent to an assumption or transfer of a contract of sale and purchase.(c) The benefit described by Subsection (b)(9)(C) may collaterally benefit a community composed of:(1) property that is adjacent to the encumbered property; or(2) property a boundary of which is not more than 1,000 yards from a boundary of the encumbered property.(d) Notwithstanding Subsection (c), an organization may provide a direct benefit under Subsection (b)(9) if:(1) the organization provides to the general public activities or infrastructure described by Subsection (b)(9)(C);(2) the provision of activities or infrastructure substantially benefits the encumbered property; and(3) the governing body of the organization:(A) is controlled by owners of the encumbered property; and(B) approves payments for activities or infrastructure at least annually.(e) An organization may provide activities and infrastructure described by Subsection (b)(9)(C) to another organization exempt from federal taxation under Section 501(c)(3) or 501(c)(4), Internal Revenue Code of 1986, at no charge for de minimis usage without violating the requirements of this section.Sec. 5.203. NOTICE REQUIREMENTS FOR CONTINUATION OF EXISTING PRIVATE TRANSFER FEE OBLIGATIONS. (a) A person who receives a private transfer fee under a private transfer fee obligation created before the effective date of this subchapter must, on or before January 31, 2012, file for record a "Notice of Private Transfer Fee Obligation" as provided by this section in the real property records of each county in which the property is located.(b) Multiple payees of a single private transfer fee under a private transfer fee obligation must designate one payee as the payee of record for the fee.(c) A notice under Subsection (a) must:(1) be printed in at least 14-point boldface type;(2) state the amount of the private transfer fee and the method of determination, if applicable;(3) state the date or any circumstance under which the private transfer fee obligation expires, if any;(4) state the purpose for which the money from the private transfer fee obligation will be used;(5) notwithstanding Subsection (b), state the name of each payee and each payee's contact information;(6) state the name and address of the payee of record to whom the payment of the fee must be sent;(7) include the acknowledged signature of each payee or authorized representative of each payee; and(8) state the legal description of the property subject to the private transfer fee obligation.(d) A person required to file a notice under this section shall:(1) refile the notice described by this section not earlier than the 30th day before the third anniversary of the original filing date described by Subsection (a) and within a similar 30-day period every third year thereafter; and(2) amend the notice to reflect any change in the name or address of any payee included in the notice not later than the 30th day after the date the change occurs.(e) A person who amends a notice under Subsection (d)(2) must include:(1) the recording information of the original notice filed as required by this section; and(2) the legal description of the property subject to the private transfer fee obligation.(f) If a person required to file a notice under this section fails to comply with this section:(1) payment of the private transfer fee may not be a requirement for the conveyance of an interest in the property to a purchaser;(2) the property is not subject to further obligation under the private transfer fee obligation; and(3) the private transfer fee obligation is void.Sec. 5.204. ADDITIONAL COMPLIANCE REQUIREMENT: TIMELY ACCEPTANCE OF FEES PAID UNDER EXISTING PRIVATE TRANSFER FEE OBLIGATIONS. (a) The payee of record on the date a private transfer fee is paid under a private transfer fee obligation subject to Section 5.203 must accept the payment on or before the 30th day after the date the payment is tendered to the payee.(b) If the payee of record fails to comply with Subsection (a):(1) the payment must be returned to the remitter;(2) payment of the private transfer fee may not be a requirement for the conveyance of an interest in the property to a purchaser; and(3) the property is not subject to further obligation under the private transfer fee obligation.Sec. 5.205. DISCLOSURE OF EXISTING TRANSFER FEE OBLIGATION REQUIRED IN CONTRACT FOR SALE. A seller of real property that may be subject to a private transfer fee obligation shall provide written notice to a potential purchaser stating that the obligation may be governed by this subchapter.Sec. 5.206. WAIVER VOID. A provision that purports to waive a purchaser's rights under this subchapter is void.Sec. 5.207. INJUNCTIVE OR DECLARATORY RELIEF; PROVIDING PENALTIES. (a) The attorney general may institute an action for injunctive or declaratory relief to restrain a violation of this subchapter.(b) In addition to instituting an action for injunctive or declaratory relief under Subsection (a), the attorney general may institute an action for civil penalties against a payee for a violation of this chapter. Except as provided by Subsection (c), a civil penalty assessed under this section may not exceed an amount equal to two times the amount of the private transfer fee charged or collected by the payee in violation of this subchapter.(c) If the court in which an action under Subsection (b) is pending finds that a payee violated this subchapter with a frequency that constitutes a pattern or practice, the court may assess a civil penalty not to exceed $250,000.(d) The comptroller shall deposit to the credit of the general revenue fund all money collected under this section. |  |
| SECTION 2. Section 17.46(b), Business & Commerce Code, is amended to read as follows:(b) Except as provided in Subsection (d) [~~of this section~~], the term "false, misleading, or deceptive acts or practices" includes, but is not limited to, the following acts:(1) passing off goods or services as those of another;(2) causing confusion or misunderstanding as to the source, sponsorship, approval, or certification of goods or services;(3) causing confusion or misunderstanding as to affiliation, connection, or association with, or certification by, another;(4) using deceptive representations or designations of geographic origin in connection with goods or services;(5) representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have or that a person has a sponsorship, approval, status, affiliation, or connection which he does not;(6) representing that goods are original or new if they are deteriorated, reconditioned, reclaimed, used, or secondhand;(7) representing that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another;(8) disparaging the goods, services, or business of another by false or misleading representation of facts;(9) advertising goods or services with intent not to sell them as advertised;(10) advertising goods or services with intent not to supply a reasonable expectable public demand, unless the advertisements disclosed a limitation of quantity;(11) making false or misleading statements of fact concerning the reasons for, existence of, or amount of price reductions;(12) representing that an agreement confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law;(13) knowingly making false or misleading statements of fact concerning the need for parts, replacement, or repair service;(14) misrepresenting the authority of a salesman, representative or agent to negotiate the final terms of a consumer transaction;(15) basing a charge for the repair of any item in whole or in part on a guaranty or warranty instead of on the value of the actual repairs made or work to be performed on the item without stating separately the charges for the work and the charge for the warranty or guaranty, if any;(16) disconnecting, turning back, or resetting the odometer of any motor vehicle so as to reduce the number of miles indicated on the odometer gauge;(17) advertising of any sale by fraudulently representing that a person is going out of business;(18) advertising, selling, or distributing a card which purports to be a prescription drug identification card issued under Section 4151.152, Insurance Code, in accordance with rules adopted by the commissioner of insurance, which offers a discount on the purchase of health care goods or services from a third party provider, and which is not evidence of insurance coverage, unless:(A) the discount is authorized under an agreement between the seller of the card and the provider of those goods and services or the discount or card is offered to members of the seller;(B) the seller does not represent that the card provides insurance coverage of any kind; and(C) the discount is not false, misleading, or deceptive;(19) using or employing a chain referral sales plan in connection with the sale or offer to sell of goods, merchandise, or anything of value, which uses the sales technique, plan, arrangement, or agreement in which the buyer or prospective buyer is offered the opportunity to purchase merchandise or goods and in connection with the purchase receives the seller's promise or representation that the buyer shall have the right to receive compensation or consideration in any form for furnishing to the seller the names of other prospective buyers if receipt of the compensation or consideration is contingent upon the occurrence of an event subsequent to the time the buyer purchases the merchandise or goods;(20) representing that a guarantee or warranty confers or involves rights or remedies which it does not have or involve, provided, however, that nothing in this subchapter shall be construed to expand the implied warranty of merchantability as defined in Sections 2.314 through 2.318 and Sections 2A.212 through 2A.216 to involve obligations in excess of those which are appropriate to the goods;(21) promoting a pyramid promotional scheme, as defined by Section 17.461;(22) representing that work or services have been performed on, or parts replaced in, goods when the work or services were not performed or the parts replaced;(23) filing suit founded upon a written contractual obligation of and signed by the defendant to pay money arising out of or based on a consumer transaction for goods, services, loans, or extensions of credit intended primarily for personal, family, household, or agricultural use in any county other than in the county in which the defendant resides at the time of the commencement of the action or in the county in which the defendant in fact signed the contract; provided, however, that a violation of this subsection shall not occur where it is shown by the person filing such suit he neither knew or had reason to know that the county in which such suit was filed was neither the county in which the defendant resides at the commencement of the suit nor the county in which the defendant in fact signed the contract;(24) failing to disclose information concerning goods or services which was known at the time of the transaction if such failure to disclose such information was intended to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed;(25) using the term "corporation," "incorporated," or an abbreviation of either of those terms in the name of a business entity that is not incorporated under the laws of this state or another jurisdiction;(26) selling, offering to sell, or illegally promoting an annuity contract under Chapter 22 (S.B. 17), Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, Vernon's Texas Civil Statutes), with the intent that the annuity contract will be the subject of a salary reduction agreement, as defined by that Act, if the annuity contract is not an eligible qualified investment under that Act or is not registered with the Teacher Retirement System of Texas as required by Section 8A of that Act; [~~or~~](27) taking advantage of a disaster declared by the governor under Chapter 418, Government Code, by:(A) selling or leasing fuel, food, medicine, or another necessity at an exorbitant or excessive price; or(B) demanding an exorbitant or excessive price in connection with the sale or lease of fuel, food, medicine, or another necessity; or(28) receiving a private transfer fee in violation of Subchapter G, Chapter 5, Property Code. | No equivalent provision. |  |
| SECTION 3. Section 5.017, Property Code, is repealed. | SECTION 2. Same as House version. |  |
| SECTION 4. Section 5.205, Property Code, as added by this Act, applies only to a contract for the sale of real property entered into on or after January 1, 2012. A contract for the sale of real property entered into before January 1, 2012, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose. | SECTION 3. Same as House version. |  |
| SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011. | SECTION 4. Same as House version. |  |